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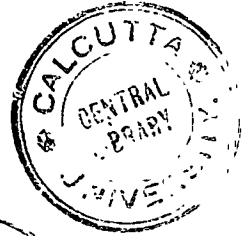
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AGRICULTURAL POLICY, POLITICS, AND THE PUBLIC INTEREST

Special Editor of this Volume

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THE THEME

This volume¹ is aimed at contributing to a sweeping change in the focus of American agricultural policy. It aspires to a prominent place on the desks of farm editors as well as on reading lists of agricultural policy courses. It hopes to influence the agenda of farm policy conferences and to command the attention of policy-makers in Congress, the Executive, and farm organizations. It transcends—even though it draws upon—recent symposia on the farm problem.² Admirable as these efforts are, they do not try what this volume attempts: to examine farm policy in light of the radically changed situation of the United States in the world. Certain differences of interpretation among authors of articles in this volume only underscore their concurrence with the general scheme.

Until recently our problems seemed essentially domestic. Even severe international crises seemed temporary and did not appear to jeopardize national survival. Now all this is changed. Our fate is conclusively involved with that of other nations. The next few decades seem critical in the race between population and technology. Fortunately we have immense capabilities, if we will only use them, to help underdeveloped countries. Whether the strength that we and our friends can muster will be enough this generation will probably never learn; but it is forced to the attempt by its religious convictions, by its heritage of democratic constitutionalism, and by its interest in survival. The population explosion, the rising demands and turmoil in the world, the spiraling efficiencies in mass destruction all indicate that nothing less than our best effort will do.

To show concretely and in detail how farm interests and farm policy relate to these transcending needs is the task of this book. Agriculture by no means monopolizes this lofty obligation, but a start must be made somewhere, and agriculture is fitting both because of the significance of domestic farm programs for economic foreign policy and also because the miracle of farm science illumines a forbidding future.

This book looks first at foreign economic policy and only later—and then briefly—at domestic farm policy. The order is deliberate. The domestic problem looms so large that it nearly blinds those concerned to everything else. It is not enough merely to catch the eyes of farm spokesmen—they must come to see their immediate problems in relation to the overriding needs of this nation and, indeed, of mankind. We must scrap the threadbare theory that the general welfare will automatically emerge if each group presses as hard as it can for its immediate interests.

Therefore, we open with a discussion of American agriculture as it bears upon trade among nations. How have our farm products entered into world trade; what has been agriculture's influence on trade policy; what would a desirable and consistent trade policy be; and what implications would it have for agriculture?

¹ The author is indebted to T. W. Schultz for his help in crystallizing the goal and in spelling out the organization of this volume.

² William H. Nicholls (Editor), *American Agriculture: Perspectives and Prospects* (New York: Columbia University, The American Assembly, 1955). Iowa State University Center for Agricultural Adjustment, *Problems and Policies of American Agriculture* (Ames, Iowa, 1959). Joint Economic Committee, *Policy for Commercial Agriculture*, 85th Cong., 1st sess. (Washington, D. C.: Government Printing Office, 1957). Harold Halcrow (Editor), *Modern Land Policy* (Urbana: University of Illinois Press, 1960).

This leads to an evaluation of governmental programs to dispose of farm products abroad and to an exploration of the possibilities—and the dangers and limitations—of using farm surpluses in foreign policy. In turn, this prompts an examination of the export of other kinds of capital—and here we are forced again to recognize what still comes as a surprise and even a shock to many people in this country and abroad: the overwhelming importance to economic growth of increases in human capital.

What kind of effort should this country make to extend farm science to underdeveloped nations and to adapt it to their needs? What changes in attitudes, in educational institutions, in administrative agencies are indicated? What can experienced men say of the tasks that confront us abroad, and how can we improve our domestic recruitment, training, and orientation so that we can fulfill our proper role in world economic development?³

Only after an extensive treatment of such issues do we turn to the domestic farm problem. One article deals with its crucial price and income aspects as these grow out of the chronic overexpansion of agriculture. Another probes relevant Canadian experience. Three papers deal briefly with separate commodities—cotton, wheat, sugar and wool—each of which plagues both domestic and foreign politics. Finally, the malallocation of human resources in agriculture is examined, less in its aspects of human poverty and disadvantage, appalling as these often are, than as a drag upon total productivity. In the coming world struggle we are inevitably shorthanded; we simply cannot afford the loss in annual production attributed to the employment of too many people in agriculture.

All this prepares us for a major and in many ways the most difficult question: How do we get the policies that we need? Fortunately authors here have been able to sharpen issues and to make useful proposals. But this is only the beginning of what should be a tremendous effort of mind and will. The job is to fix the attention of all those who are concerned with farm policy upon the highest objectives of this country—to pre-empt the first and controlling place on the agenda for the loftiest considerations.

After this must come the policy-makers. The entire process of farm policy formation must be informed by an understanding of the salient issues which, imprinted on enough minds in the farm sector, may bring about a major intellectual reorientation. This calls for conscious and sustained effort in the federal agencies, not only in the Office of the President and in the Department of State, but also in the United States Department of Agriculture. It calls for a corresponding determination in Congress, in the farm press, in the colleges of agriculture, and in farm organizations, not only nationally, but down into the last township Farm Bureau and the last local of the Grange and the Farmers Union.

We are, indeed, in search of a national purpose. But it is not enough merely to define it intellectually. It has to be grasped by people who are sweating over their own troubles. In agriculture it must penetrate through the barriers created by the overexpanded farm plant, the threat of falling farm incomes, the mounting costs of farm programs, and the growing public restiveness with the size of the farm budget. All these deepen the obsession in the farm sector with the domestic problem, as would be seen by an analysis of Congressional hearings, of United States Department of Agriculture reports and activities, of the farm press, of farm

³ See George Liska, *The New Statecraft: Foreign Aid in American Foreign Policy* (Chicago: University of Chicago Press, 1960) reviewed in this volume.

organization publications, and of the talk in farm meetings. Something must be done about the size of the farm plant, and we may be sure that no effort will be spared to find cures. But somehow the minds of those so engaged must still be fastened upon the larger issues before the country—and this must mean much more than merely settling upon foreign policy as a way to alleviate the domestic farm problem.

But a nagging doubt remains about our national purpose. How do we know that an upsurge of economic growth in the underdeveloped countries will herald peace, spread freedom, and add to human happiness? We cannot know this absolutely. We only know that it is our genius to produce more tools, more food, more machines; to make these things and then get them into the hands of people who need them; and to get these people into the habits of using and of continuously demanding and searching for, and expecting, better tools and methods of production. Yet the ultimate meanings of these added instruments lie beyond our grasp. A man's moral stature is not necessarily increased because he stands on a higher pile of goods. But in this time of staggering possibilities we have to rely on what we know how to do. The gap between the healthy and the poor nations grows; so does the clamor for equity. We know that we can help others to get ahead. But we cannot see the end of our efforts and theirs; even the proximate results—and whether they will be good or evil—are completely shrouded.

If there is no proof, there may still be conviction. Some will find it in religious revelation, others in political wisdom. To the latter, we might presume to say a word. Because of the delicate situation in domestic politics—this is an election year!—and more especially because we are not alone in this great task, let us turn to Charles de Gaulle of France whom Walter Lippmann recently declared to possess true genius. "This gift, which is more than leadership as such, is second sight into the nature of history. It brings with it the gift of prophesying what is going to happen. . . ." With it is carried "the ability to convey what his vision brings to him."

On the same day that Lippmann's tribute appeared De Gaulle declared in Washington, D. C.: "There can be no deeply rooted peace in our time without economic development . . .

• "In my opinion, fundamentally, and above and beyond all theories, all doctrines, all systems of government, the great task facing the world is to raise from poverty and start on the path toward economic development these 2,000,000,000 people who lack everything."⁴

CHARLES M. HARDIN

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⁴ *New York Times*, April 24, 1960; for Lippmann, "Salute to De Gaulle," *Chicago Sun-Times*, April 24, 1960.

Trade and Agriculture Policy

By LAWRENCE WITT

ABSTRACT: Through trade agreements and inflation, tariff levels have been reduced to about one fourth the 1931-1934 levels. These advances toward a freer trading position have been hindered by the rapid growth in import quotas. Some sectors of American agriculture have been in the forefront of those seeking import limitations. The use of price supports in implementing American agricultural programs tends to encourage imports and discourage exports. In addition, price supports have stimulated new programs to encourage exports; such as by transferring purchasing power abroad, or by reducing export prices. These programs range from special loans, sales for local currency (Public Law 480), to export subsidies. Such attempts to insulate domestic agricultural prosperity from the world market divert individual attention and reduce the pressures which otherwise might strongly press for an active and liberal trade policy. Similarly these programs have lowered the influence of the foreign protests, by introducing the additional opinions of those benefiting from special sales. The present complex of programs and policies has quieted the voices of many of those strongly proposing freer trade in order to lower costs.

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IMPORTANT sectors of agriculture have a vital interest in a strong export market. A third to a half of the cotton, wheat, tobacco, lard, and rice production traditionally has moved overseas. Historically, foreign markets provided the base for westward agricultural expansion. The foreign exchange earned supported the development of a transportation system, factories and other facilities to undergird American economic development. The export market continues today to be a major outlet for many farm products. Powerful agricultural interests have supported liberal trade policies, such as the Reciprocal Trade Agreements (RTA), so as to protect and expand such markets.

In recent years the operations of agricultural programs have imposed a series of restraints, import quotas, and escape clauses upon trade policies. Some sectors of agriculture have led the way for the whole economy in forcing exceptions, though other groups—bicycle producers, watch makers, and others—have been close behind.

These confusions and inconsistencies are in keeping with America's long history of vacillating trade policy. Before 1857 we had already gone one full circle of liberal trade, high tariffs, and gradual reductions. From 1862 to 1916 the nation moved again irregularly through such a cycle. In 1922 and 1930 tariffs were again raised, the Smoot-Hawley tariff being considered the highest in American history. In reaction to the mistaken idea that tariffs on exported products provided price benefits, agricultural interests compromised on a program of "equality for agriculture." The McNary-Haugen bills were designed to separate the foreign and domestic markets, permitting farm products to be sold at world prices abroad, while fetching a higher price at home.¹

The depression of the thirties brought a disillusionment with a variety of past policies. Those agricultural groups selling heavily abroad—wheat, cotton, tobacco, pork, and lard—attributed part of their troubles to the virtual disappearance of the American farm exports. They began to recognize that purchases beget sales. Thus agriculture warmly embraced the Hull Reciprocal Trade Agreements program for two reasons. First, it promised to reopen foreign markets closed by the rampant protectionism of the period. Second, it promised to reduce tariffs on imported manufactures and cut the costs of certain agricultural inputs. Even so there were certain reservations, by commodity groups interested in sugar, wool, and to a lesser extent in butter.

At the same time, it was widely recognized that domestic problems made even a complete re-establishment of the foreign market an inadequate measure, and in any case would require some time to accomplish. Even before the RTA came into being, Congress passed the Agricultural Adjustment Act, striving to correct the domestic imbalance between production and consumption. The philosophy and implementation of this Act led to many conflicts and inconsistencies—a problem which is still with us.

PRODUCTION CONTROL PROBLEMS

Under the original Agricultural Adjustment Act (AAA) and in all of its later amendments, efforts have been made to control production. Successful production control raises the price in the United States market. To the extent that the price is increased, the United States ability to export affected farm commodities is reduced and the ability of competing countries is enhanced. In some cases, the difference

¹ For a fuller review see: Murray Benedict, *Farm Policies of the United States, 1790-*

1950 (New York: The Twentieth Century Fund, 1953), pp. 207-238.

between the American and world price was large enough to attract goods to the United States over the Smoot-Hawley wall.

The latter point was recognized as early as 1935, when Section 22 was attached to the original AAA. This became the most significant limitation on competitive agricultural imports. This section directed the President to impose quotas on imports, whenever they were found to be interfering with any program operating under the AAA. Thus, cotton imports were placed under quota in 1939 and wheat imports in 1941.

The reduced ability to export could not be countered so simply. Although of minor significance, export subsidies for Pacific Northwest wheat in 1934 and for cotton in 1939 gave a limited preview of one means of enhancing exportability. Some restoration of foreign purchasing power occurred with world economic recovery and preparations for World War II. The passage of Lend-Lease provided another way of increasing foreign purchasing power. While viewed as a means of providing dollars—primarily for military purchases—during a period of extraordinary demands, the techniques involved foreshadowed the United Nations Relief and Rehabilitation Agency (UNRRA) and the Marshall Plan. This experience led into other techniques for bolstering foreign purchasing power, such as those represented by the Agricultural Trade and Development Act (Public Law 480).

One other aspect of the agricultural programs of the thirties needs to be brought out before considering the Reciprocal Trade Agreements. The Jones-Costigan Sugar Act of 1934 makes even more clear the ambivalent position of American agriculture. It imposed import quotas on sugar, with even smaller quotas on refined sugar. In fact, the

Sugar Act of 1937, 1948, and recent extensions essentially divide the market among specified states and territories, the Puerto Rican Commonwealth, and foreign countries. It has become a permanent means of protecting American beet and cane sugar producers. In renewing the Sugar Act next year, great forbearance will be required if the nation is to avoid mixing sugar protectionism and punishment for Fidel Castro.

RECIPROCAL TRADE AGREEMENTS

The Reciprocal Trade Agreements were heralded as a reversal of America's high tariff position, but the implementation of the program belied its high expectations. Only slowly through individual country agreements were tariffs lowered. Under the Reciprocal Trade Agreement, the President was authorized to negotiate and reduce tariffs up to 50 per cent of the 1934 level. During the negotiations the United States reduced tariffs on only as many dollars worth of trade as did the other country. The general interests of United States consumers in lower tariffs, regardless of foreign concessions, was nowhere given recognition in the negotiating procedures. Moreover, extraordinary efforts were made to deal only with commodities which were specific to the trade of the United States and the other country, even to the extent of further subdividing the complex division of commodities in the Smoot-Hawley Act. Thus most widely traded products were almost untouched until 1945.

In the first flush of enthusiasm after the war the President was given additional room for negotiation. This was done by setting the lower limit at 50 per cent of the January 1945 rate, thus assimilating the earlier reductions. The General Agreement on Tariffs and Trade (GATT) followed shortly, with simultaneous negotiation with 23 countries and including commodities sup-

plied by several or many countries. Negotiations at Geneva were almost scuttled by action of the United States with respect to wool. Australia and New Zealand insisted that tariff reductions on wool be part of the Agreement. The United States Congress was unwilling to countenance the price reduction this would mean for American wool. Only a Presidential veto of a proposed extra import fee and a support program for wool saved the negotiations.

By 1949 the burden of tariffs had been substantially reduced, from an average ad valorem rate on dutiable imports of 55 per cent in 1931-1934 to 14 per cent in 1948-1949. Measured against all imports, the reduction was from 19 to 6 per cent.² Since that time further small reductions have been made. Such figures show that real progress was made in easing tariff burdens, but they do not give a complete account of the tariff schedule.

Some tariffs have been and still are so high as to exclude imports, and are not included in the figures above. In 1953 there were still nearly 500 tariff rates in the United States schedule which exceeded 50 per cent ad valorem.³

Secondly, price increases, combined with specific tariffs, have drastically reduced the burden of many American tariffs, even without tariff reductions. Specific tariffs are more likely to be applied to farm products, and ad valorem or percentage tariffs to industrial products.

More generally, the full impact of the tariff reductions was not felt until the 1950's. The war so disrupted produc-

tion and trade patterns that finding something to export became the order of the day in many European countries. The United States was being called upon to supply deficiencies for a wide range of products. Few imports were able to take advantage of tariff reductions; only later did actual imports become a source of concern to American producers.

THE RETREAT OF THE FIFTIES

At the beginning of the 1950's, agricultural price support programs were still the order of the day. The government was heavily involved in the purchase and storage of agricultural commodities. Since overseas production was nearly restored, the acute demands for food were reduced. Some countries had developed and expanded their production of farm products and were competing with the United States. With many American prices above world prices, foreign exports moved more easily and imports were knocking on our doors. Hostilities in Korea obscured the trends for several years, but the pattern was clear.

In trade policy the United States continued to assert a liberal program, but gaps were appearing. The United States Congress had not accepted membership in the proposed International Trade Organization; efforts were being made to substitute GATT in its place as a long term commitment. Even GATT itself included many loopholes for nationalistic policies. Astute observers overseas were questioning whether the United States was willing to follow a low-tariff policy. Many argued that when pressures accumulated, a reversion to isolationism and protectionism was inevitable. Despite these doubts, the Mutual Security Administration encouraged European countries to expand production facilities—as in cheese—in order to increase exports to the United

² See Lawrence Witt, "Trade and Reciprocal Trade Agreements," *Technical Bulletin* 220 (Michigan Agricultural Experiment Station, June 1950).

³ Fletcher School of Law and Diplomacy (under direction of Harry Hawkins), "International Trade Policy Issues," prepared for and published by the Chamber of Commerce of the United States (February 1953), p. 4.

States and thus reduce the prevalent dollar gap.

Even the extension of the Reciprocal Trade Agreements in 1951 was less clear cut. It included specific provisions for investigation by the Tariff Commission, if the question of injury to domestic producers arose. Section 22 of the AAA also was amended to prohibit the application of any trade agreement or international agreement inconsistent with the requirements of this section. Thus, under the pressures of these conflicts, Congress reversed itself and made any trade agreement subservient to the domestic agricultural program, if the two should conflict.

Action under other legislation brought new restrictions on agricultural imports. During the first half of 1951, a number of farm products were restricted by import licenses issued by the United States Department of Agriculture, under the Second War Powers Act. These included butter, flaxseed, peanuts, rice, rice flour, rice starch, and so on.⁴ Most of the restrictions continued after July 31, 1951 under the Defense Production Act of 1950, with fats, oils, and dairy products being added. Under Section 104 of this Act, import licenses were issued until June 30, 1953, for butter, cheese, casein, flaxseed, linseed oil, non-fat dried milk, various types of peanuts and rice. These provisions reflect the increasing use of quantitative controls as a means of controlling imports—a world-wide characteristic in recent years. While licenses for many products were issued freely, those for cheese were severely limited and for butter almost nonexistent.

Strong protests were lodged against the United States by Denmark, Canada,

the Netherlands, and New Zealand, and other protests followed. These protests, and retaliatory action by the Netherlands in reducing imports of wheat flour, led to a review of the policy.

In July 1953, these licenses were abandoned. But simultaneously and after a review by the Tariff Commission, a system of quotas and fees was instituted under the provisions of Section 22. The severity of the restrictions was loosened, but the effects were the same—the essential separation of the American market from the world market.⁵

Such restrictive devices, however, were just as inadequate for American agriculture as in the earlier periods. Farmers continued to produce substantially in excess of what could be sold at established prices. In 1953 agricultural exports dropped to the lowest level since 1945, and government stocks reached high levels. In the concern engendered by this decline in exports, attention turned again to a technique already being utilized, under Sections 402 and 550 of the 1953 Mutual Security Act. Strongly supported by the Farm Bureau, the Agricultural Trade and Development Act of 1954 (P. L. 480) was passed.

Sale of farm products

Under this legislation the sale of farm products was stimulated in three ways. The first technique was to provide a continuing support for a device used earlier—the gift of food to nations facing temporary food shortages, due to poor crops, natural disasters, and so forth. The second technique was the

⁴ These and other restrictions listed later are assembled from mimeographed annual reports of the United States Tariff Commission, entitled "Operation of the Trade Agreements Program."

⁵ As of January 1959 the following farm products were subject to import controls: sugar, dried figs, alsike clover seed, cotton and cotton waste, wheat and wheat products, tung nuts and oil, rye, rye flour and meal, malted milk compounds, butter substitutes, butter, dried cream, dried buttermilk, dried skim milk and dried whole milk, cheeses, peanuts, peanut oil, flaxseed and linseed.

bartering of food for strategic materials. The third and most important was the authorization of sales for local currency, thus completely bypassing the foreign exchange market.

This legislation was to dominate the export picture, develop new strains with America's Allies, and stimulate farm leaders to think about how foreign development and surplus disposal might be associated. As presently renewed, P. L. 480 provides \$1.5 billion annually to stimulate farm exports. Other programs such as the International Wheat Agreement, Section 32 of P. L. 320—Seventy-fourth Congress—and the Mutual Security Act provide additional financial stimuli.

The effects of these actions are clearly apparent in looking at trends in total trade and in agricultural trade. During the five-year period between 1952–1953 and 1957–1958, total exports, in quantity, increased by 18 per cent while agricultural trade increased by 55 per cent. Thus most of the increase was agricultural. On the import side during the same period total imports rose by 20 per cent and agricultural imports remained constant.⁶ Agriculture is out of step both in policy and with actual market trends.

• For the future one wonders whether the seeds of this policy are now growing rankly. Policies within the Common Market with respect to imports from outside the Six will raise the weighted average of the barriers against American imports. African areas are considered within and the United States outside. And because the United States has systematically excluded any major dependence on agricultural products from these areas, its bargaining power

may be limited. In any case the Six and the Seven can, if they wish, point to many precedents in recent American agricultural and trade policy, as justification for actions which they may take in limiting exports from outside areas.

SUMMARY

In the past twenty-five years of trade and agricultural policy, several developments are evident. One is that trade policies have been relatively successful in lowering tariff levels, and in keeping them from increasing. The second is that import controls have been inserted into American policy largely by way of agriculture. Trade policy condoned a series of exceptions to the general liberal trade position, in order to attain major trade agreements. In many cases, the effect of lower tariffs is not to increase imports and lower prices, but to transfer purchasing power—formerly derived from import duties—from the United States Treasury to foreign producers able to sell in the United States market. The third is that, despite its weaknesses, agricultural policy has attained some of its objectives, including higher prices and some income transfers to agriculture. In so doing, it has reduced or removed agriculture's incentive for a strong position on foreign trade policy. Under the system developed, improvements in foreign trade usually do not translate directly into improved agricultural prices and welfare.

To say this, however, is not enough. Agricultural policy, by concentrating on support prices as a technique, has created real trade difficulties for farm products. In the process of resolving them, the way was opened for the use of import quotas and licenses on the one hand and for making the export market dependent on government policy and financing on the other.

A series of programs which indirectly

⁶ United States Department of Agriculture, Foreign Agricultural Service, M-76, *Quantity Indexes of U. S. Agricultural Exports and Imports*, Revised (January 1960), Tables 2 and 6.

and directly aided exports have helped agriculture retain a role in export markets. Lend-Lease, UNRRA, Army Civilian Supply in occupied countries, the Marshall Plan, Mutual Security operations, and now P. L. 480 each have served to temporarily bolster foreign purchasing power and make imports less vital in the support of export markets.

The inconsistency of farm price raising and import price lowering—through tariff reduction—as techniques to promote farm and general welfare led to

the insulating and contradictory programs described above. The programs to augment foreign purchasing power helped reduce foreign pressures protesting against our restrictions on imports. At the same time import restrictions for farm products undercut and sapped the vigor which the Trade Agreements program attained in the immediate postwar years. Other sectors have taken advantage of this ambivalent position and pushed for similar exclusions or limitations in their own interests.

A Sound Trade Policy and Its Implications for Agriculture

By D. GALE JOHNSON

ABSTRACT: A move toward freer trade, involving reducing tariffs and export subsidies and eliminating import quotas, simplification of customs, and consistent maintenance of these changes, is in the national interest. Our role as a major world leader would be enhanced, and we would be making an important contribution to the development of poorer nations. Such a program would require adjustments in agriculture—major adjustments, in fact—but with appropriate policies American agriculture is capable of making these adjustments.

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IN the world as it is constituted today there are three compelling reasons for the adoption of a truly liberal trade policy by the United States. First, a liberal trade policy would result in an increase in the real value of our national output by permitting a more efficient allocation of our resources. In our competitive struggle with the Communist area of the world, we cannot without great peril to ourselves fail to follow a policy that will allow an increase in our national strength. Second, the consistent following of a freer trade policy will enhance our role politically as the leader of the free nations of the world and will, at the same time, result in an increase in the economic strength of the other major nations. Finally, the maintenance of the largest single market in the world as a relatively free and available market would contribute significantly to the economic development of the poorer nations of the world.

We Americans should remember the role that a large and growing foreign market for our products, primarily agricultural goods, played in the development of our own economy in the period from 1870 through 1920. It was the export of agricultural products that provided the foreign exchange for the import of capital goods, and it was the expanding flow of exports that encouraged foreigners to invest in the United States. It was the ability of the United States to produce large amounts of farm products and to sell these products in the relatively free markets of Europe that was expected to provide the foreign exchange necessary to repay the large investments that were being made, if this should prove to be necessary or desirable. At that period of history, Europe provided the largest market existing in the world; today the United States has the potential for providing a large and stable market for many of the underdeveloped nations of

the world. Our huge national income and the productivity that makes that income possible is the necessary condition for the provision of a large market; our trade policies, however, must be modified if this market is to have the role in the free world that it could and should perform.

A LIBERAL TRADE POLICY

In the space of a few pages it would be most presumptuous of me to claim that I can even adequately outline the elements of a desirable and consistent trade policy. I certainly cannot claim that I can prove to the satisfaction of an honest skeptic that the outline I do present is definitely in the national interest. While I believe that it is in the national interest to adopt a free trade policy, with the exception of certain military items, I believe that many of the gains that are possible from free trade can be achieved by the adoption of a liberal trade policy that does not achieve free trade in the immediate future. But a liberal trade policy must move in the direction of fewer restrictions on trade between nations.

A liberal trade policy should include the following major elements. The degree of protection to domestic producers should be reduced to some maximum specified level, such as 20 to 25 per cent. Whatever protection that is provided should be afforded through tariff duties rather than import quotas or embargoes. The use of export subsidies should be minimized, though as long as tariffs are continued there is a similar reason, equally valid or invalid, to provide limited export subsidies in some export products. The administration of customs should be standardized and simplified so that importers have a high degree of certainty concerning the actual duties that will be levied. All too often tariff schedules are now highly complex and difficult to interpret; schedules

should be clarified and the number of different rates of duties should be reduced to a small number, perhaps four or five.

Above almost all else, whatever trade policy is adopted should be applied with consistency and certainty. Sudden and abrupt changes in tariff duties, quotas, or export subsidies disrupt trade and have serious political implications as well. Furthermore, domestic producers must be convinced that it is not possible for them to solve their problems by obtaining additional restrictions on trade. When Chrysler finds that it is losing auto sales to Ford or General Motors, Chrysler does not expect to be rescued by a special tax levied on the cars produced by its major competitors. Similarly the producers of actual or potentially imported goods should realize that they must compete in terms of cost and efficiency, and that they cannot rely upon being rescued by political pressure.

While there would be a significant gain to the United States by adopting a completely free trade policy, except in the case of actual military items, a large part of the gains in economic efficiency would occur if we adopted a simple tariff schedule of *ad valorem* rates, with a maximum rate of 25 per cent and with four other rates of 20, 15, 10, and 5 per cent. A strong case can be made for the position that if a domestic producer cannot produce a commodity for, at most, a premium of 25 per cent over the price of the same commodity when purchased abroad, the producer has no claim for protection. If the position of an importer with a tariff rate of 25 per cent is compared to the position of the exporter who must sell into the same markets that the imports come from, the relative advantage of the importer—one might say the relative subsidy of the importer—is greater than 25 per cent. This is true because there are freight, insurance, and other

costs that both the exported and imported products must bear. Thus the true degree of protection, relative to the producer who is an exporter, may be 35 per cent or more. While we may as a nation be willing to accept some inefficiencies in the use of our resources, it does seem appropriate that we place an upper limit on the amount of inefficiency that we are willing to pay for.

As Professor Witt points out in his article, the Reciprocal Trade Agreements Act has contributed substantially to a reduction of trade barriers. But the modifications that have been made in that act in recent years indicate that if further major gains are to be made in liberalizing trade a different attack may be required. Consideration should be given to a complete overhaul of our tariff acts to include the small number of tariff rates suggested above and simplification of our customs procedures.

IMPLICATIONS FOR AGRICULTURE

The implications of a more liberal and consistent trade policy to agriculture are quite considerable. With the existing import quotas and export subsidies agriculture is one of the most highly protected major sectors of the economy. The removal of much of this protection would require considerable change in certain sectors of our agriculture. The most important farm products that would be significantly affected are sugar beets, sugar cane, wheat, cotton, flax, and dairy products. The feed grains and fats and oils have been moving into international trade with some degree of subsidy involved in most transactions. With the exceptions of sugar, dairy products, and flax, the products mentioned above are export products. The protection that these products have received has come through export subsidies of various kinds, with import quotas and tariffs

acting to prevent imports from negating the effects of the export subsidies.

It has been the domestic price support policies that has necessitated the use of export subsidies and import restrictions for the farm commodities. In recent years a large fraction—approximately 60 per cent—of all agricultural products exported from the United States have involved one form or another of export subsidy. Some have been direct such as the subsidy programs for cotton and wheat sold under the International Wheat Agreement; others have been somewhat indirect and were made in the form of agreements under various features of Public Law 480. Any immediate removal of the price support programs and the accompanying export subsidies and import restrictions would result in a great deal of economic distress for American farmers.

A move toward a freer trade policy which would involve a reduction in import barriers on several farm products and a reduction of export subsidies on others would require a number of adjustments in American agriculture. In the years immediately ahead, United States farm prices would be lower as exports were reduced from their present levels, as governmental purchases became less important, and as some increase in imports materialized. In the short run, unless special measures were taken as an offset, total farm income would be adversely affected.

FARM INCOMES AND SUBSIDIES

If the above paragraph represents a substantially correct indication of the impact of a freer trade policy on agriculture, does this mean that the national gain from such a policy would come at a very considerable economic cost to agriculture? I believe that the answer is in the negative. There are two reasons for a negative answer.

First, there is little or no evidence that there has been any significant economic gain, as measured by increased real income per farm worker or family, as a result of the price supports, trade restrictions, and export subsidies that have played such an important role in agricultural policy since the end of World War II. Second, while it may be true that farmers have gained little or nothing from the programs, large losses would result from the immediate abandonment of them; however, most of these losses can be prevented by the adoption of appropriate policies during the transition period.

Of these two reasons, the first is undoubtedly the most controversial. How is it possible that the support prices and billions of dollars of direct and indirect farm subsidies have not resulted in higher average incomes to farm families? Note that I do not claim that total farm income has not been increased by the programs; it undoubtedly has. But the position taken is that the average income of farmers has not been increased as a result of the "protection" afforded them. Direct proof of my position is hardly possible, but some analogies and some comparisons indicate the strong possibility that the result of these endeavors has not been to significantly increase the average real income of farm families.

If it were possible to increase average incomes—wages or return to farm operator families—by the means we have used, it would imply that incomes or wages should be higher in those parts of the economy that are protected by import duties than in those sectors of the economy producing for export. Quite the opposite is the case in the United States. A study by Professor Irving Kravis of the University of Pennsylvania, published in 1957, found that the highest wages were paid in export industries and that industries with tariff

protection paid lower wages than the national average. There is no implication that protection through tariffs, price supports, or export subsidies lowers the return to labor; but only that these devices are no cure for low incomes.

Until 1958 the Canadian farmer received relatively nominal price support or other forms of economic protection. There are a number of areas in the United States that are quite comparable to the major agricultural areas of Canada. In major respects the United States and Canadian economies have many elements in common. Both are high-income countries that have experienced significant increases in real income during the past three decades. In both countries there is and has been a large net annual flow of labor from farm to nonfarm employment. If price supports and higher prices resulting from the supports did result in higher average incomes, real farm incomes should have increased more rapidly in the United States than in Canada since, say, the mid-twenties. For example, during the nineteen-twenties the United States farm price of wheat was at most 10 per cent higher than the Canadian price; during the latter part of the nineteen-fifties the United States price has been approximately a third higher. Yet farm incomes have increased as much in the Prairie Provinces, the great Canadian Wheat belt, as in the northern spring wheat area in the United States. Comparisons of income change in Ontario, which is a general farming area, with similar areas in the United States revealed similar income changes.

The comparisons between the United States and Canada revealed two interesting differences. First, land prices increased substantially more in the United States than in Canada. Second, farm output increased somewhat less in Canada than in similar areas in the United

States. These differences imply that a major effect of the United States policy was to increase land prices, which means that new entrants into farming are likely to gain little from the higher prices that may result from price supports. The differences in the changes in output⁶ also mean that Canadian farmers were able to keep output expansion at roughly the same rate as demand expansion.

The ability of farmers to respond to changing conditions and to make satisfactory adjustments to these conditions is indicated by the Danish farmer. The Danish farmer has little or no governmental protection—a large share of his output is sold abroad and he buys many of his farm inputs, especially feed, from foreign nations. Despite this—or perhaps because of it—he has one of the highest incomes of Western Europe, even though all other European governments provide a considerable amount of protection for their farmers. Average real income of the Danish population has increased substantially since the end of the war and the Danish farmer has shared fully in that increase.

APPROPRIATE POLICIES

The important question is not whether the American farmer could adjust to the changed conditions that would result from a freer trade policy. Rather the most important question is whether we would design the policies that would facilitate the adjustment. For the last decade American farm policies have tended to give the farmer the wrong signals. These policies have implied that markets existed when they did not and have induced farmers to make decisions that were not in their long-run interest.

Except through the use of large-scale export subsidies, the American farmer cannot become competitive in world markets until our price-support policy

is changed markedly. But the changes in that policy must take time unless there is to be considerable financial and economic distress among our farmers. If a clear and consistent policy were followed, much of the adjustment could be carried out within five years. I can only sketch the nature of the policy changes that would be required. Price supports should be gradually lowered to approximately the world level, though modest export subsidies might be continued in the cases where prices are far out of line, such as wheat. A program for disposal of existing stocks in conjunction with aid to underdeveloped countries should be carried out. All of the governmental programs that have the effect of increasing farm output—irrigation, reclamation, agricultural conservation payments, watershed develop-

ment, importation of foreign farm workers—should be tapered off and stopped. But positive steps are also required. The first is to take all desirable measures to increase the demand for labor in the nonfarm sector of the economy. The more rapidly the demand for nonfarm labor increases, the easier it is for farm workers to shift to nonfarm jobs. The second is to undertake measures to ease the shift from farm to nonfarm employment for the millions of workers who will have to make this change in the next decade. These measures include improving rural schools, extension activities that provide information about nonfarm career opportunities, assistance in finding nonfarm jobs and housing, and a program that will help farm people to adjust to urban conditions.¹

¹ See James G. Maddox, below.

Public Law 480 and Related Programs

By WILLARD W. COCHRANE

ABSTRACT: Surplus agricultural commodities have been moved abroad during the late 1950's under several programs: Public Law 480, The Mutual Security Act, and foreign dollar loans and credits. Shipments under these programs have bulked large in recent years—running close to 40 per cent of total agricultural exports and amounting to about \$1.5 billion. The emphasis in these programs has been on surplus disposal, rather than on the development needs of the recipient countries. Hence, it is not surprising that the potential for using the surplus food and fiber bounty of the United States to support and induce economic development has scarcely been touched. But policy actions are within our grasp for making more effective use of surplus food and fiber products from the United States in the recipient “underdeveloped” countries; food and fiber can be used as capital to finance economic development.

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FOUR different avenues of foreign surplus disposal are employed under Public Law (P.L.) 480. First, and most important in terms of the volume handled, is the sale of surplus agricultural commodities to foreign countries for local currencies. This is the arrangement under Title I of P.L. 480 whereby the United States government accepts the national currency of a foreign country, which usually is not convertible into dollars, in exchange for surplus agricultural commodities. Second, Title II provides for grants of surplus agricultural commodities to friendly nations to meet emergency situations. Third, Title III authorizes the donations of surplus foods for domestic distribution and for distribution to needy persons overseas through non-profit, relief agencies. Fourth, Title III authorizes the barter of surplus agricultural commodities for strategic and other materials produced abroad.

In addition to the foreign disposal of surplus agricultural commodities under P.L. 480, such commodities are made available to foreign countries: (1) in exchange for their local currencies under Public Law 665—the Mutual Security Act—and (2) as the result of the extension of dollar loans and credits by agencies of the United States government, mainly the Export-Import Bank. In sum, numerous devices, some ingenious, some crude, are being employed to move surplus agricultural commodities abroad and to keep the domestic purchase-storage-disposal program from collapsing under its own weight. This is not a new development; the shipment of agricultural commodities abroad under these and other special government programs has formed a large part of the total agricultural exports since World War II.

PROGRAM OBJECTIVES AND OPERATIONS

The objectives of P.L. 480, as stated by Congress, are four in number, (1)

to promote economic stability for American agriculture; (2) to expand international trade in agricultural commodities; (3) to encourage the economic development of friendly countries; and (4) to promote the collective strength of the free world. If we give this formal listing of objectives a free translation, it turns out to be consistent with reality. Certainly the primary objective of P.L. 480 has been to move surplus stocks of agricultural commodities, acquired under price-supporting operations, out of the country to ease the pressure on, and even save, the price-support program. And the secondary objective has clearly been “while we are moving stocks abroad, let us do as much good with them as is possible.” The secondary objective has included erasing the specter of famine, combatting undernourishment and hunger, and facilitating economic development. The objectives of the Mutual Security Program have been much the same as regards agricultural commodities: (1) dispose of burdensome surpluses at home and (2) buy as much military preparedness abroad as is possible.

During the period of July 1, 1954 to July 1, 1959, over 150 agreements, or supplements to agreements, were entered into with thirty-eight countries under Title I of P.L. 480.¹ The export-market value of all commodities shipped under these agreements amounted to \$3.7 billion. The countries receiving the greatest amount under Title I have been, in descending order of importance: India, Spain, Yugoslavia, Pakistan, and Turkey.

Exports under P.L. 480 accounted for about 27 per cent of total agricultural exports over the five-year period of op-

¹ For an excellent summary of program operations see *The Tenth Semiannual Report on Activities Carried on Under Public Law 480, 83rd Congress, As Amended, 86th Congress, 1st Session, House Document No. 206, July 30, 1959, and later Semiannual Reports.*

TABLE 1—UNITED STATES AGRICULTURAL EXPORTS UNDER SPECIFIED GOVERNMENT-FINANCED PROGRAMS AND TOTAL AGRICULTURAL EXPORTS, 1956-1959

FISCAL YEARS	PUBLIC LAW 480 (Per Cent)	MUTUAL SECURITY PROGRAMS (Per Cent)	CREDIT SALES (Per Cent)	TOTAL: SPECIFIED GOVERNMENT PROGRAMS ¹ (Per Cent)	TOTAL AGRICULTURAL EXPORTS	
					(Per Cent)	(Million Dollars)
1956-1957	32.5	8.4	1.5	42.4	100	4,723.8
1957-1958	25.5	5.7	5.1	36.3	100	4,002.3
1958-1959	28.5	5.7	2.5	36.7	100	3,720.4

¹ It should further be recognized that "commercial" sales by the Commodity Credit Corporation at or below market prices are not included under this category.

eration, 1954-1959. And shipments under Title I, or sales for foreign currencies, accounted for well over one half of those P.L. 480 exports. But in some years barter sales have been sizeable—running up to 400 million dollars in 1956-1957.

Operations under P.L. 480 do not, however, complete the total foreign disposal picture. Exports of agricultural commodities resulting from the operations of the Mutual Security Program and from credit sales involving the Export-Import Bank and the Commodity Credit Corporation amounted to about 10 per cent of total agricultural exports over the period 1956-1959. Thus, agricultural exports moving directly under some kind of governmental program stood at 42 per cent of total agricultural exports in 1956-1957, and at 36 per cent in 1957-1958 and in 1958-1959 (see Table 1).

CONSEQUENCES OF THE PROGRAMS

The first, and least controversial consequence of foreign surplus-disposal programs of the United States in agricultural commodities, has been the effect on food consumption for the countries involved. Certainly the diets of many thousands of people living in poverty have been improved, in terms of both quantity and quality; as the result of these disposal programs. These are short-term gains, but they are im-

portant gains to people suffering from chronic undernourishment, and even starvation in some cases. Analysts sitting in their offices in the United States, enjoying rich and varied diets—although perhaps suffering from too great a caloric intake—would be crass indeed to ignore this direct and beneficial consequence to the lives of these people.

But these disposal programs have not greatly facilitated economic development in the countries involved. According to the Tenth Semiannual Report² roughly half of foreign currencies obtained under Title I of P.L. 480, or \$1.8 billion, has been allotted to loans to foreign governments for economic development. But, as of March 31, 1959, less than a third of that amount had been disbursed on projects. Further, we have no way of knowing how many of these paper projects have reached completion and have added to the stock of effective capital, or how many of these projects would have been undertaken anyway out of some kind of internal financing. Until we know more about the operation of surplus-disposal programs for agricultural commodities in the recipient countries, the suspicion must be that the operation of these disposal programs generally has not fostered economic development; this suspicion rests in part upon the project data cited above, but it rests

² *Ibid.*

more importantly on the attitude that has prevailed in Congress and this administration with respect to foreign surplus disposal, namely, "this is an emergency, and if we can find a home for our agricultural surpluses for a brief spell we will be all right."

But there are reports of instances where foreign disposals of food and fiber have been tied to specific development projects—for example, road building, irrigation construction—and productive capital has been formed.³ In part at least, and if we want to, we can use surplus agricultural commodities to finance economic development. The use of food and fiber surpluses to finance economic development may not constitute the most efficient way to support foreign economic development, but it is a way.

Further, surplus food and feed grains from the United States have played a major part in moderating and blunting the price inflation in India in the past several years, and may have saved India from scrapping, or drastically modifying, its second five-year plan of economic development. Certainly surplus agricultural commodities from the United States can be integrated with major plans of economic development in several underdeveloped countries, but as yet this potential remains largely unexploited.

The consequence around which the most controversy and the most confusion abounds is that concerned with the effects of foreign surplus disposal on the producers and production in the recipient countries. One view holds that the surplus-disposal operations of the United States have generally hurt producers in the recipient countries and,

more importantly, have acted to remove the incentive to increase total production in those countries, hence have acted to perpetuate their food-shortage problem. Another view holds that the surplus-disposal operations of the United States have generally been administered in such a manner as not to hurt the producers involved, and, through the beneficial effects on capital formation, have acted to increase agricultural production above what it could have been without the programs. And, of course, there are many combinations of views between those two poles.

Actually, no one really knows, in any general sense, what consequences foreign surplus-disposal programs have had on agricultural production in the recipient countries. And we will probably not know until we have some good, representative studies of the consequences of P.L. 480 operations in the foreign countries involved—studies which are not now underway to the knowledge of this writer. In the meantime we should be wary of general conclusions in this area, based upon summary analyses of brief visits to countries involved and projects by traveling experts. This is a difficult terrain in which to reach definitive conclusions; for example, controversy continues to rage over the effects of government programs on production in the United States.

Foreign competitors

The consequences of, or the anticipated consequences of, the disposal operations of P.L. 480 on foreign competitors created a furor at the inception of the program, but in the past several years the tumult and the shouting has abated. It has subsided because foreign competitors have become convinced that in the administration of Title I at least, the United States has no intention of stealing their regular commercial markets. In the administration of P.L. 480,

³ See, *A Note of the Utilization of Agricultural Surpluses for Economic Development in Japan*, publication of the Food and Agriculture Organization of the United Nations (Bangkok, 1958).

after the first year or two, the United States has consistently followed the "additional principle"—the principle that sales under Title I are in addition to regular commercial imports. Further, the United States has consulted formally and informally with third-party countries to protect the interest of those countries prior to entering into sales agreements with recipient countries. By these practices the United States, in the administration of Title I, has not encroached upon or damaged regular commercial markets of third countries. This is not to say that all foreign competitors are pleased with P.L. 480, but it is to say that the sophisticated administration of Title I has pulled the fangs of foreign criticism.

There is still criticism of the barter operations under P.L. 480 and competitive dollar sales by the Commodity Credit Corporation, and with good reason. But so long as we have surplus commodities, interest groups, and congressmen, there will be unilateral attempts to export the farm problem.

SHORTCOMINGS OF THE PROGRAMS

The consequences of foreign surplus disposal have been, as we observed in the foregoing discussion, good, bad, and indifferent. But perhaps the most important point to be made with respect to the operations of foreign surplus-disposal programs is their failure to produce, or generate, lasting benefits for the recipient countries involved. The potential of these programs to generate economic development has barely been touched. This failure to use our foreign disposal programs constructively to form capital and to increase worker productivity in the underdeveloped recipient countries stems from the limited conception of the potential role of these programs generally held by Americans. This myopic view has led to a program

structure with severe shortcomings. Those shortcomings are:

(1) The temporary, emergency quality of our foreign surplus-disposal operations. Although everyone likes a bargain, there have, as yet, been few lasting benefits to the recipient countries involved. Current consumption levels have been increased; and this can be important to hungry people. But little else has been achieved. Our foreign disposal programs have not been conceived as vehicles for inducing and financing economic development. They have been conceived by this administration as expedient, temporary, disposal measures, and they are treated in that manner by all concerned.

(2) The great uncertainty created in general by our foreign surplus-disposal operations. We, ourselves, do not know how long we will place primary emphasis on this type of adjustment, what forms the programs will take, the extent of the price concessions, and the nature of the side conditions attached to such sales. Plans of economic development of several years' duration based upon agricultural exports from the United States must be based upon either hope or conjecture, consequently they often are not made. This is the irresponsible aspect of our foreign surplus-disposal policy.

IMPROVEMENT OF PROGRAMS

The question may then be asked, what do we need to do to make these disposal programs acceptable to friendly competing nations and to contribute to economic development in the recipient nations? I would state the basic need as follows: in the disposal of surplus agricultural commodities in foreign countries, the United States must be prepared to make some policy commitments of long-run duration with respect

to program objectives, availability of supplies, means of financing, and so on. The specifics of this general course of action can be stated under the following seven points:

(1) Except in famine situations, surplus agricultural commodities in the United States, when disposed of abroad, are to be used exclusively to finance economic development. Economic development is here interpreted broadly to include education and training of the human agent as well as physical capital formation, but all food and fiber shipments must be related to, or integrated into a plan, or plans, of economic development.⁴

(2) Once "surplus" agricultural commodities from the United States become committed to a development plan, or project, of a foreign country, for whatever duration, one year or ten, they cease to be surplus commodities and the whole operation ceases to be a foreign surplus-disposal operation. At this point, the committed supplies become "development supplies" and become part of the aggregate demand for the farm products of the United States.

(3) Food and fiber supplies committed to development plans and projects would be financed by means acceptable to the recipient countries but with the basic objective of speeding economic development: perhaps by grants, perhaps by loans, perhaps by sales for national currencies. The financing principle to be followed here is one that maximizes economic development, not the pecuniary return to the United States.

⁴This statement is not intended to constitute a rejection of multilateral commodity agreements; such agreements must play an important role in the expansion of foreign trade in the context of planned, or controlled, agricultural economies.

(4) Recipient countries must in every case provide evidence that these "development supplies" from the United States do not reduce their "normal" acquisitions of food and fiber from other countries. By this and the previous point, criticisms of foreign competitors lose their force.

(5) Since "development food and fiber supplies" could finance only a part of every plan or project; complementary programs to finance the purchase of hard goods, construction materials, and services would be necessary. In some cases, food and fiber supplies might finance up to 70 to 80 per cent of a project—for example, road building under an antiquated state of the arts—but in most cases the percentage would be lower. Hence, the financing of non-agricultural supplies must be a part of the total program.

(6) Competing nations burdened with agricultural surpluses—for example, Canada, Argentina—should be invited to participate in this "food for development" program. And to the extent that competing nations desired to participate, multilateral arrangements could be initiated. This is the way that a formal international program under the sponsorship of the United Nations might come into being.

(7) But until such time as a world program did come into being the Food and Agriculture Organization—or some other United Nations agency, or set of agencies—should be charged with the responsibility, and be provided with the necessary funds, to aid recipient countries formulate and execute plans of economic development. This provision would speed development where administrative experience and technical "know how" are most lacking.

Export of Capital?*

By ROBERT B. SCHWENGER

ABSTRACT: The financing by the United States of agricultural expansion seems, at first sight, to present a policy dilemma, namely that a government with large agricultural surpluses on its hands is being asked to provide capital to increase foreign production of the very commodities in surplus supply. In the practice, the dilemma breaks down because of failure of the assumption that the expansion of agriculture in the underdeveloped countries has been hampered by the lack of physical capital from abroad. In fact, the principal limiting factors have been of a local institutional and social character. Against these obstacles, the advance of the agricultural production needed for development has been actively promoted by the flow of United States capital to these countries.

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*The judgments made and conclusions reached in this article are the exclusive responsibility of the author and do not express United States government policy, but a number of former colleagues in the United States Department of Agriculture have helped generously.

THE special editor has asked for a frank general discussion of the role of United States capital in developing the agriculture of underdeveloped countries in the context of United States policy. This may seem to present a policy dilemma which a government official would have to evade. In fact, however, it is a welcome opportunity to suggest to the readers of this volume that the supposed dilemma is more logical than real.

THE APPARENT POLICY PROBLEM

The apparent dilemma relates primarily to capital available from United States government agencies such as the Export-Import Bank, the International Co-operation Administration, and the Development Loan Fund. It does not apply to international or interregional agencies, such as the International Bank for Reconstruction and Development, the International Finance Corporation, the International Development Association, or the Inter-American Development Bank, even though the United States contributes a large part of their capital. Neither is there any policy dilemma for private capital loans from individual Americans—or American firms—to agricultural enterprises abroad.

The dilemma may be stated, somewhat oversimplified, as follows: It is United States policy to assist economic development in the underdeveloped nations. One of their prime needs, during the current effort to achieve self-sustaining development, is a greatly increased supply of food. The quantities needed will probably exceed the amount that will be available abroad and capable of being physically moved from foreign producers to consumers in the underdeveloped countries—even if the necessary foreign exchange financing could be

found without imperiling development.¹ Therefore, a condition of successful development is the expansion of agricultural production in the underdeveloped countries to meet increased domestic need. This requires capital investment, since the agriculture of these countries has low yields and inefficient techniques. United States capital, therefore, should, pursuant to our policy of aiding development, be available for this type of investment on terms at least comparable to that for United States capital available for investment in the industries of the developing country.

But, it is contended, the United States has surpluses of the needed foods—large and burdensome surpluses of those most needed by underdeveloped countries—and it is United States policy, whether through direct action or through freeing market mechanisms, to reduce the supply of these foods—both in the United States and world markets—in order to bring their natural market prices into reasonable relation to the prices of things agricultural producers must buy. United States food producers and taxpayers are expected to take a dim view of United States government loans to underdeveloped countries for the purpose of producing more wheat and rice and corn.

The alleged dilemma appears even more serious if one turns to the needs of the underdeveloped countries for exports—to earn foreign exchange for increased food and development purchases from abroad. As primarily agricultural countries, most of them must depend on sales of agricultural products for this purpose. At this stage of their

¹ India alone is taking about 4 million tons of food grains annually and, in about five years, is expected to need of the order of 10 to 15 million tons over anticipated Indian production on the basis of present plans. Other large deficit countries will probably include Pakistan and Indonesia.

development, capital invested in agriculture seems to be the necessary means for making their economies viable. But United States agricultural policy, it is argued, can hardly be expected to support such investment if, as is often true, the products are already in world surplus and prices are already depressed.

OTHER LIMITING FACTORS

In the full context of the current world situation, however, this theoretical dilemma is hardly ever realized. Foreign capital is not usually the important factor limiting the expansion of agricultural production in the typical underdeveloped-country situation.

Elsewhere in this issue of *THE ANNALS*, the more important limitations will doubtless be reviewed. A suggestion of their nature can be given by mention of land-tenure arrangements which give no incentive to investment, social stratifications or exploitation patterns, and usurious credit practices—in local currency—which deprive the cultivator of the benefits of investment, transportation, and marketing facilities which create local surpluses even in times of national famine, and, above all, the force of tradition and taboo—often sanctified by religious institutions—opposing change. This type of factor inhibits investment in agricultural improvement even when capital is available. It slows down the useful effects in cases where investment is “imposed” by making new equipment available or setting up pilot operations through government or some outside agency.

In Iraq, until recently, capital was available in abundance, not only for direct investment but also for major irrigation and other quasi-industrial projects needed to benefit farm production. Most of the foreign exchange earnings from sales of oil were reserved for development programs by special legislation, and a government bent on

agricultural development was trying to apply this capital where it would increase production most. It had good technical assistance from abroad. Yet the complex of land ownership, tradition, and other institutional arrangements within which Iraqi agriculture is conducted has conspired to frustrate the effort. Iran is going through a similar effort to expand agricultural production—with capital and technical assistance available. The Shah is actively sponsoring an agrarian reform program. It will be interesting to see whether, with the traditional agricultural institutions of that country, the available capital resources can be applied in order to expand agriculture successfully.

On the other hand, once a farm producer is freed from archaic institutional limitations and is permitted to obtain a fair price in a situation where the need for increased production has created an opportunity for profit, he usually seems to be able to get the needed physical capital for expanding his output without public assistance. In fact, he seems to be able to do so even in cases where the product is in surplus if the opportunity for profit is artificially maintained. From 1957 to 1959, with attractive domestic prices, capital continued to pour into the extension of coffee plantation to the forested hillsides of Parana—at a rate approaching a half-million acres of new trees per year—after world prices had fallen more than a third from their 1954 peak and an enormous world surplus was in sight for at least five years ahead.

THE CAPITAL NEED

For the purposes of this discussion, the capital needs of an underdeveloped country can be usefully considered in the following loose categories:

(1) Direct investment in agriculture. This includes land, labor, materials, livestock, machinery, buildings, wells, and

other investment applied directly to production, by the producer or on his behalf, and not significantly for any nonagricultural purpose. Governments customarily count as direct investment in agriculture the general field of "extension"—that is, investment in the education of the producer to know about and use improved techniques of production—although this might perhaps be considered indirect investment because of the large nonagricultural benefits.

(2) Indirect investment to benefit agriculture—major irrigation and power projects, fertilizer plants, farm-to-market roads, and other supporting investment which will permit the producer to expand his output.

(3) Investment not consciously directed to agriculture—primary investment in the development of industry.

The capital needed for direct investment in agriculture in an underdeveloped country, once the other limitations on investment are sufficiently abated to get producers to use it, is typically of a local or national nature. It does not require much foreign exchange and, therefore, is not in itself dependent on loans from abroad. Moreover, it is small relative to the total capital, foreign and national, required for development. Hence, a government can, if necessary, usually allocate its foreign exchange to provide the small amount needed for direct agricultural investment from its own foreign earnings, without the use of foreign capital received as aid or loans.

The government of India, in its third development plan—beginning in 1961—even though greatly increasing emphasis on agriculture over earlier plans, provides less than 15 per cent of the total planned capital expenditures as direct investment in agriculture. A good part of this consists of extension-type activities—bringing technological knowledge to the villages. The rest is an estimate of what private entrepreneurs will invest—its direction depending primarily on

the relative profitability of different commodities in the Indian market. But, while the plan as a whole calls for somewhat more than one fifth of its capital in foreign exchange, the foreign exchange portion of the direct agricultural capital requirement is very much smaller.

From another point of view—that of net capital requirement for agriculture—it may be noted that, for most underdeveloped countries, a main concern is how to obtain capital from agriculture. In a largely agricultural country it is necessary to acquire national savings for investment in industry very largely by extracting from the agricultural community a surplus of currently produced income. Foreign capital can help, but there must be a substantial surplus of national production over consumption before self-sustaining development can be achieved. In effect, agriculture as a whole must save the direct-investment capital needed for its own expansion as well as some of that needed for industry.

INDIRECT INVESTMENT

The case is different when it comes to dams and irrigation systems, roads, fertilizer plants, warehouses, elevators, and other largely industrial investments which aid agricultural expansion. For many of these, the agriculture-aiding effect is overshadowed by other benefits to development. Moreover, the agricultural advantages are not necessarily pointed to a particular crop.

Many of these indirect investments to help agricultural expansion require very considerable amounts of imported material. The question of foreign capital is both relevant and important. In countries where land has been farmed for centuries, indirect investments—to bring plant food and water to the tired soil—give greatest promise of increasing agricultural production. To get the desired increases in Indian agricultural produc-

tion it is essential to apply much larger amounts of fertilizer. The facilities to produce this fertilizer require heavy capital investment to which the United States has importantly contributed. Where the most significant single need is irrigation, United States capital is available for that. Even in the case of the loan originally contemplated for the Aswan High Dam, the fact that Egypt is a large cotton-exporting country did not prevent approval from the point of view of agricultural policy. The later withdrawal was not due to agricultural considerations.

ALL CAPITAL HELPS

It seems quite probable, however, that, over any period of time, even the third category of capital need—that not consciously directed to agriculture but primarily to industry—tends to expand agricultural production, even though the industry in question produces items of no significance for agriculture—either direct or indirect. The expansion of industry spreads among more and more workers, their families and friends, a degree of the technical sophistication needed to enable agriculture to advance. In the process of growing up in the presence of industry—with opportunity for employment therein and advantage therefrom—there is implanted in the minds of people of a nonindustrial country the “magic” of applied science in place of whatever traditional “magic” has previously helped keep their agriculture primitive. The basic attitudes toward reality that go with understanding how to repair a machine, how to organize effort to gain efficiency by new specializations, or how to adopt a new process or technique will be carried inexorably into agriculture. The habit of making new things work is a powerful agent which time-honored institutions cannot resist indefinitely.

THE UNITED STATES ROLE

Thus, in a significant sense, practically all of the capital made available to underdeveloped countries by United States agencies, viewed as a whole, is a powerful factor in increasing agricultural production, although not necessarily at a rapid rate.

But, apart from that, the United States, in approving the loans requested by developing countries and giving technical assistance to their agriculture—a related matter—puts a high priority on the wishes of the government of the country requesting the funds. The United States is trying to help these countries develop from their present plight of having the bulk of their populations in agriculture—with people crowded on the land, underemployed, and inefficiently used even when they work—to a condition of substantial industrialization with their populations distributed—from an employment point of view—in such a manner that will advance individual opportunity and dignity in both industry and agriculture. Hence, there is emphasis on industrial development—except as needed to meet the growing food needs of the domestic population. For this latter purpose, however, the United States government is at times even more concerned than the local government that there be enough new investment in agriculture.

INVESTMENT IN SURPLUSES

Exports are another matter. It is rarely in the real interest of a developing country to expand the production of an agricultural commodity for export which is already in world surplus. This is true whether or not the United States happens to be an exporter of the product. It is as unfortunate, at this time in world affairs, to put additional capital into the production of coffee as of

wheat—for export. Demand is inelastic, exportable supplies greatly exceed what importing countries will buy—at any price schedule that yields an increase of exchange earnings with an increase of exports. United States reluctance to let its capital contribute to a worsening of this type of situation could hardly be considered a conflict of development policy with agricultural policy. A loan application for such a purpose might be a miscarriage of development policy. In the cases where underdeveloped countries request loans to expand production—for export—of commodities in world surplus, it is well to question whether the special interest of established producer groups² or the failure to work out imaginative plans for diversification and development have not unduly influenced the loan applications.

There will be cases where there is a real difference of opinion regarding a loan to expand agriculture in an underdeveloped country—and it is not impossible that United States agricultural

policy may be a factor in the United States view. It is believed that such cases have not been important. They have been negligible by comparison with the helpful effects toward balanced agricultural development resulting from United States lending and aid taken as a whole. A few cases are hardly evidence that underdeveloped countries have been hampered because United States agricultural policies interfered with United States capital aid.

In the perspective of history, it is not impossible that United States agricultural policies in the past fifteen years—for all their weaknesses—may be judged as one of the great contributions—albeit inadvertent—of the Western industrial world to the achievement of economic development in the previously less-advantaged countries. Certainly the flood of our farm surpluses has breached the levees of established Western commercial policy and is even now forcing new channels for the spread of our abundance. Official imagination is being flexed to envision magnitudes of capital flow adequate to complement the unplanned bounty. The turbulences incidental to such a flood will hardly be recorded as obstacles to development.

²The export products in many cases are grown on lands operated in plantation units, often owned by foreign capital or the local economic elite.

Scientific Manpower for the Less-developed Countries

By F. F. HILL

ABSTRACT: To stimulate agricultural growth through the application of science is a key problem of economic development. Numberless cultivators must be reached by—and must accept—integrated programs which include a range of services and commitments from technical advice to market assurances. Properly to aid cultivators requires enormous numbers of trained men and women who must essentially be local citizens rooted in their country's culture and problems. Even so, the United States can and should make an increased but more selective effort to help. The scope and complexity of the task together with the need to reach cultivators with all essential services recommend concentration in selected areas with long-term programs. The necessary emphasis upon the application of science makes educational institutions obvious instruments of this national policy, but they require long-term commitments with adequate financial help and a large amount of responsible freedom.

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THE majority if not all of the less-developed countries of the world urgently need to increase the quantity and improve the quality of their agricultural output. The urgency may arise, as in India, from the necessity of meeting the food requirements of a large and rapidly increasing population already undernourished or, as in Burma, primarily from the need for increased earnings of foreign exchange to help finance a program of general economic development.

Increasing the quantity and improving the quality of a country's agricultural production is basically a problem in the application of science and technology to the development of its agricultural resources. This involves much more, however, than knowing what existing techniques to apply to obtain increased yields and improved quality or how to develop new techniques to achieve these objectives. Even if appropriate techniques are available, the individual cultivator must first be convinced that they will in fact produce increased yields under his particular conditions. To convince him requires effective education and demonstration at the village level. He must also come to believe that he and his family will benefit sufficiently from the results to make it worth while to assume the production and economic risks involved. If he is a tenant, his decision will be affected in part by the share of the prospective increase in output which will accrue to him. If dealers' margins are excessive, the cultivator's incentive to increase production and improve quality will be reduced accordingly. Farmers in the less-developed countries, no less than in the United States, are sensitive to the possibility of declining prices if national output is substantially increased. Since small cultivators practicing a traditional agriculture make small cash outlays for operating ex-

penses and family living, they are under less compulsion to produce more for the market in the face of falling prices than are farmers in the United States.

But even if cultivators in large numbers in an underdeveloped country are convinced that the application of new techniques "will pay," measured in their terms, there are still important conditions that must be met before widespread adoption of new practices is likely. First, there must be in existence or created an effectively functioning supply line that makes available at the village, when needed, at reasonable cost, such production supplies and equipment as are required to put improved practices into effect. Second, since not every cultivator who might find it profitable to increase production is able to finance from his own resources the cost of the supplies and equipment required for the introduction of improved practices, credit on terms suited to the needs of the cultivator must be available at reasonable cost. Third, there must be a marketing system that moves farm products from the village to the consumer with minimum loss of quantity and quality and that returns to the producer a fair share of the price paid by the consumer.

THE PROBLEM

It is clear that not one but a number of conditions must be met if agricultural production in an underdeveloped country is to be materially increased. Solutions to the many problems involved are not to be had by simply exporting existing American institutional arrangements and technical knowledge to the less-developed countries even though these arrangements and techniques have created in this country a current embarrassment of agricultural riches. Each underdeveloped country must develop its own institutions rooted in its own cultural and institutional background.

Unless it is quite small, it must produce the greater part of the trained manpower required to staff these institutions—scientists, social scientists, administrators, and so on. Some of the trained manpower required can be brought in from the outside. Some can be produced by sending young men and women abroad for training. Foreign specialists and persons trained abroad can, and in the early stages of development frequently do, make contributions far out of proportion to their numbers. Seldom, however, will the number of persons in these two groups begin to meet total requirements. This means that the greater part of the scientific and administrative manpower required to modernize the agriculture of an underdeveloped country of any size must be trained at home. If appropriate educational and training facilities and programs do not exist, and they rarely do, they must be developed.

Agricultural development in such countries largely requires human and institutional development: training professional and administrative personnel for a wide variety of tasks; developing attitudes and points of view that will enable them to work effectively with each other and, when necessary, with the cultivators they are intended to serve; and providing educational and service institutions and institutional relationships that will make it possible for professional and administrative staff to function with maximum effectiveness in contributing toward the country's total agricultural effort. Above all, a shift from a traditional agriculture and way of life toward an agriculture based on modern science and technology involves not only acquiring new knowledge and skills on the part of millions of individual cultivators but far-reaching changes in their outlook and attitudes. Human and institutional change is a slow process usually better meas-

ured in decades and generations than in weeks, months, or even years.

SUGGESTED STRATEGY

It is the writer's belief that the United States can best assist the less-developed countries in improving their agriculture by placing major emphasis upon helping them develop key institutions and services and helping train the manpower required to staff them. Sending United States scientists and other specialized personnel abroad or bringing persons from the less-developed countries to the United States for training should be viewed primarily as a means to this end.

Growth and development of any kind seldom proceed uniformly over time. This is true of agricultural development within a single country as well as among countries. At present there are one or more underdeveloped countries in each major geographical region that have more agricultural development potential during the next decade than do others. These differences derive in part from differences in internal political stability, the aims, policies, and economic programs of current political leadership, variations in natural resources and, importantly, differences in the currently available numbers and quality of trained personnel, and in the vigor of institutions and flexibility of institutional relationships. These differences suggest the desirability of concentrating United States assistance in each major region first on a relatively limited number of key countries from the standpoint of agricultural development. This approach is likely to make the best use of scarce manpower and capital resources, both in the United States and host countries, and to accomplish the most in the shortest time in terms of demonstrable results. Demonstrated progress is of major importance in the

early stages of development in stimulating further progress.

Within each country selected for intensive effort it will usually be desirable, at least at the outset because of shortages of competent personnel and other resources, to concentrate on the development of a limited number of key institutions and training programs and, in the countryside, on a limited number of carefully selected areas. India's program announced last April which proposed a concentrated across-the-board effort to increase the production of food crops in one district in each of her fifteen states is a good illustration of concentrating scarce manpower and material resources in key areas in an effort to stimulate a shift from a traditional toward a modern agriculture.

Although concentration of United States efforts in key countries in each major geographical region and on key institutions and services and in selected production areas is desirable, it is imperative that the program include an attack on all the major bottlenecks limiting increased production. Experience has clearly demonstrated that results are likely to be disappointing if efforts are largely confined to one or two aspects of the total problem. It does little good to convince a cultivator that a particular set of practices will result in substantially increased yields if he believes that the economic risks involved in adopting them are greater than he can afford, or that his share of the increased output will be so small that the effort is not worth while. Furthermore, even if he is willing and eager to adopt improved practices, he will not be able to do so unless the necessary production supplies and equipment are available when he needs them and unless he can finance their purchase either from his own resources or through a loan at reasonable cost on terms suited

to his needs. To repeat then, this means (1) that improved practices must have been tested and demonstrated to the cultivator, (2) that he must be convinced that they will result in increased output on his particular holding and that his share of the increased output will be sufficient to justify his assuming the risks involved, (3) that the supplies and equipment necessary to carry out improved practices must be available at the village at the time the cultivator needs them at prices he feels he can afford to pay, (4) that, if he requires it, credit is available on terms suited to the cultivator's needs at reasonable cost, and (5) that the marketing system is reasonably efficient and returns to the cultivator a fair share of the price paid by the consumer. All these conditions must be met if new and improved production methods are to be adopted.

The emphasis placed upon selecting key countries in each major geographical region for intensive United States assistance and upon key institutions and areas within each key country does not mean that I would limit assistance to these countries, institutions, and areas. Political as well as other considerations make such an approach impractical. However, it is important, it seems to me, to concentrate sufficient resources in selected countries, institutions, and limited areas in an effort to achieve a noticeable increase in agricultural production in the shortest possible length of time; in other words, to develop pace-setting areas. An important consideration in the early stages of any development program is to demonstrate beyond doubt that the methods recommended will in fact result in increased production and higher levels of living. Once this has been done, one can intensify the programs in other areas as rapidly as resources will permit.

METHODS OF ASSISTANCE

The primary objective of all United States assistance, whether in agriculture or other fields, presumably is to help the recipient country reach a point as quickly as possible where such aid is no longer necessary. In agriculture this means that attention should be concentrated on helping host countries develop agricultural colleges, experiment stations, research institutes, extension services, supply services, credit services, and marketing services suited to their particular needs; in other words, to help them develop the basic institutional mechanisms required to bring about changes in agriculture over time including changes in the attitudes and outlook of cultivators. In appropriate instances, both financial and technical assistance might well be given in connection with large-scale intensive demonstration efforts such as the one previously referred to in the case of India.

Since institutions, services, and programs are being developed for the benefit of the host countries, they should, other than in exceptional circumstances, pay local currency costs and provide a part of foreign exchange requirements in proportion to their ability to do so. Project plans and agreements should provide for the gradual replacement of United States personnel by indigenous personnel as it is trained and for the gradual withdrawal of United States financial support with the host country increasing its contribution by stages until it is paying the full cost.

As previously shown, agricultural development is essentially a slow process of human and institutional change—a fact that should influence the planning of aid to agriculture in the less-developed countries. The development of a viable, effective agricultural college, experiment station, extension service, credit service, or marketing service in

an underdeveloped country may take ten years or longer. Personnel requirements and financing should be planned accordingly.

Proposed approach

We need, I think, to experiment with some new approaches in the financing of United States foreign aid programs. If, for example, we decide to establish an agricultural research center or a laboratory for nutritional studies in an African country to be fully staffed and financed by that country in, say, ten years, why not:

(1) Select the university or other United States institution best qualified to do the job and try to persuade it to undertake the assignment under contract. Or encourage the formation of an association of two or more universities or other institutions to accept the job, as the Associated Universities, Incorporated, which operates the Brookhaven National Laboratory for the Atomic Energy Commission.

(2) Formulate a general agreement upon the nature of the job to be done. Leave management decisions, including the determination of salaries and personnel policies, to the contracting institutions. Require the submission of regular operating and financial reports, but limit control to annual inspections and to audits such as those conducted by United States Department of Agriculture experiment station examiners.

(3) Make an outright grant to the contracting university or other institution in two parts, consisting of (a) the estimated capital costs of establishing the institution and (b) estimated operating expenses for a period of ten years.

(4) Tell the contracting institution to proceed with the job.

Because of the wide variety of specialized jobs to be done and the fact

that a primary objective of United States foreign technical assistance is to help the host countries train their own people to replace American staff as quickly as possible, it is neither feasible nor desirable to build up a career technical assistance staff to do the total job. In terms of both flexibility and of obtaining all the kinds of special competence needed, the career staff should be supplemented by borrowing of staff, for varying periods of time, from colleges and universities, the United States Department of Agriculture, and other organizations.

Unless colleges and universities can supplement existing staff—to have at least some manpower beyond the minimum requirements of the classroom—they will not be able to respond to requests for released staff time when the bulge in student enrollments strikes the country's campuses in the early 1960's. One possible approach to this problem might be for the federal gov-

ernment to make five- or ten-year grants to institutions willing to cooperate in foreign aid programs in amounts sufficient to cover the salaries of a specified number of additional staff members, with the understanding that the institution would be willing to negotiate on the question of released time for an equivalent number of staff members for overseas service. Such negotiations would have to be mutually undertaken in a "give and take" spirit respecting the precise number and the particular staff members to be released in a given year. Whether or not this particular approach is feasible, the fact remains that a new dimension has been added to our land-grant colleges and universities, in particular, namely, "overseas extension work." Institutional and financial provisions need to be made in executing this new activity as was ultimately done when extension was added to teaching and research in the United States.

Transfer of Basic Skills of Food Production

By CHARLES E. KELLOGG

ABSTRACT: Potentialities for more food in the underdeveloped countries with better soil and water use range from small to exceedingly large depending, in the first instance, on the kind of soil and what is known about it. The achievement of the potentialities is a very complex and difficult problem. For success in most places, several practices, such as those for water control, fertilization, kind and varieties of crops grown, and plant protection, must be changed at the same time if any of them are to give significant economic returns. Basic handicaps are a very low social status of cultivators in many countries and the lack of specific information requiring sound recommendations. Rarely can programs or practices be transferred from advanced countries of temperate regions to underdeveloped countries of the tropics or subtropics. Only basic principles and the skills to learn can be transferred. Those transferring skills from the advanced to the underdeveloped countries must be able (1) to analyze the problems and to invent effective practices and programs while in the area, (2) to work hard under less than ideal conditions, and (3) to be courteous at all levels of work from the cultivator to the highest officials of sovereign governments.

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THE world food problem demands attention. Although abundant food may not guarantee peace, severe food scarcities will guarantee no-peace. Generally countries must raise most of their own food. The percentage of the world's food requirements supplied through international trade will be small at best.

Since 1945 increased efforts have been made to transfer skills from the advanced to the underdeveloped countries. Yet food production skills have lagged far behind those that preserve life and that lead to increased material wants.

This lag results from several causes, not the least of which is a general failure to recognize the complexities. Most, including the writer, have suggested that the economic, political, and institutional aspects are more complex than the strictly physical and biological problems. Although probably true in most underdeveloped areas, this is a misleading generalization. The record shows that the development of reliable recommendations for soil use and management to realize the potential harvests is extremely difficult, especially in crowded countries. In this article I propose to suggest some of the reasons why the job is so difficult.

THE PROBLEM

The world food problem, in strictly physical terms—in calories per person—has probably been more serious many times in world history than it is at present. However, populations are now increasing, unevenly in relation to supplies. Certainly serious food problems could arise in many countries, partly because of a lack of the basic agricultural resources—responsive soils and water—but much more because the resources available are not used so effectively as they could be.

On the other hand, science has made possible an enormously improved agri-

cultural technology that is being applied to food production in many advanced countries at a continually accelerating rate. Not only has science increased the potentialities of traditionally arable soils; but also it has made economic food production possible from soils that were nonarable—unusable for food crops—by the methods known only a few years ago.

Still many countries face a food crisis. In social and political terms, the problem is far more critical than ever before.

For one thing the expanding economies of many underdeveloped countries have increased the demand for food; and the lack of it is a substantial cause of inflation. But another reason is more important: before world-wide travel and communication most of the people in the underdeveloped lands took food shortages and occasional famines for granted. The full rice bowl has been the symbol of both security and affluence for a long, long time in many countries.

Recently the people in countries short of food have learned that people elsewhere have abundant food. They have heard about America, for example, and some have been here. They are now unwilling to accept either chronic or occasional food shortages as a normal way of living. This new awareness is far more important in highlighting the food problem than any absolute scarcity. With the new burst of nationalism and the burning desires of these people to be recognized as full citizens of the world, they expect to have governments that will do what is necessary.

Yet raising the level of food production is an exceedingly complex process. It deeply involves science and technology as well as improved institutions for farm supplies, credit, land tenure, and food marketing and distribution. The most successful methods are now

being used by highly literate farm people. Attempts to short-cut the problem of helping farm people in underdeveloped countries to reach a comparable status run the risk of dictatorial organization when they concentrate skills and decisions in the hands of a few. Among people who have known freedom for even a short time, only the most desperate are prepared to substitute food for the aspirations of personal dignity.

The transfers of skills from advanced countries to underdeveloped countries are not only between different social environments, but also between different physical and biological environments. Generally the transfers are from temperate countries to tropical or subtropical countries. The soils, the seasons, most of the crops, and many of the "good" practices are quite different.

Actually, few farm techniques or food programs can be entirely transferred. Mainly, successful transfers are of basic principles and especially of the learning skills. Techniques and programs for local use must be invented within the local environment. This fact has the most profound implications on the selection of people for making the transfers. They must be able to analyze problems and to develop systems in terms of basic principles. Agricultural technicians, lacking knowledge of such basic principles and of the scientific method, although successful in their own countries, can fail utterly in an underdeveloped one. Many technicians in the advanced countries take for granted and are often unaware of the body of scientific knowledge that has made possible the technology they use. Europe and America have had hundreds of universities and experimental stations working on these matters for a long time. In the advanced countries, for example, we know the kinds of soil our farmers are using, or we can find out fairly easily.

In the underdeveloped countries few

basic data about soils and other growing conditions are available. Millions of cultivators live on soils that no scientist has studied at all! As the soils are studied and identified, many data become available from experiences with similar soils elsewhere. But until the soils are known, the facts required for predicting the outcome of new combinations of crops and practices are lacking, and suggestions for change are not predictions but rather highly uncertain gambles.

SOIL MANAGEMENT PRACTICES

Perhaps the two most important basic principles of soil management for high production are the ones most commonly overlooked in suggesting improvements in underdeveloped countries:

Firstly, we are not seeking some kind of "natural balance" between each kind of soil and the system of its use. Most soils of tropical and subtropical areas are naturally too low in fertility and too variable in soil-moisture supply for good harvests of food crops. Exceptions can be found among those renewed by recent showers of nutrient-rich volcanic ash or alluvium; but the great acreages are composed of soils that need to be improved in both fertility and water supply. Actually, where advanced soil management is possible we are primarily concerned with how the soils respond to management, not with their productivity if simply cleared, plowed, and seeded. Most productive arable soils are the result of the cultivator's art. What we are seeking is a "cultural balance" between the kind of soil and the skills of the cultivator equipped with the products of industry.

Secondly, the cultivator is always using a combination of practices. Rarely does the improvement of any single practice, by itself, or of any single soil characteristic alone, give an economic return anywhere near the potential.

That is, on most of the soils, improved varieties alone, adequate water control alone, and fertilizers alone, give small increases in harvest. The word "fertilizer" itself is, of course, a general term for many unlike combinations of plant nutrients. The enormous increases come when all of these, along with plant protection, are properly combined and fitted to the local kind of soil. Experiments on many soils commonly show increases of 10 to 20 per cent for the single practices and 100 to 600 per cent, or even more, for the combinations.

The large increases result from the interactions among several characteristics of the soil and several practices. As the combinations become more costly—more costly inputs and still more valuable outputs—it is increasingly important that the combinations of practices precisely fit the local kinds of soil.

Large numbers of successful combinations of soil management practices at low levels of productivity, developed without the aid of science, may be seen in the underdeveloped countries. These are by no means all "bad"; in fact, I have been astonished more than once how well some of them work, including many of those developed by shifting cultivators who are nearly isolated from the general stream of world civilization.

Actually, however, such combinations have evolved to fit the local environment. The strains of crops selected over the years are ones that can grow at low levels of soil fertility and with poor supplies of water. Even if these soil factors are changed, there is generally little response from the local varieties; yet taking into account the soil quality, varieties with the germ plasm to give high yields may do no better. Thus the large improvements now possible require that the whole combination of practices and the varieties be changed at the same time.

Not only are large areas of presently

used soils capable of much higher production with a different combination of practices suited to the local kind of soil, but also very large areas of unused soils can be made productive—soils that need changes in them that primitive, economically isolated agriculturalists are unable to make.

Gradual improvements from a low level of productivity to a high one are commonly not practicable. For example, if soils require large additions of chemical fertilizers to be productive—and a great many of them do—the use of these artificial fertilizers will not ordinarily be worth while unless investments are also made for new seeds, for water control, and for plant protection, to say nothing of improved transport, better credit facilities, and other institutional arrangements. For example, expensive works for irrigation are rarely profitable unless water control is effectively administered to eliminate excesses or deficiencies of water in the soil and unless low soil fertility is corrected. The same principle applies to drainage, terracing, and other expensive inputs.

That is, for many kinds of soil no practical midway system between a low level and a high level of inputs and outputs can be recommended; only a drastic change is practicable. In such situations, and they are the ones most commonly found, only combined-practice research, demonstration, and development are helpful. The easier, single-practice "campaigns" lead to disappointment and to economic loss, even in the case where practices of great value are utilized in proper combination with others.

Gradual improvements can be made on soils of moderate to good productivity where economic pressure is not great. In parts of the tropics one frequently finds three levels of management: (1) Primitive systems without the benefit of either science or industrial

products; (2) systems improved through the application of science but without industrial products; and (3) high-level systems that make full use of technology, including machines and chemicals. The differences in production per acre or per man-hour-acre are very different among these levels on the same kind of soil. But in countries where land is scarce and the need for food is great, such transitions are likely to be too slow.

Besides the difficulties of analysis and invention, we need to recall that people from advanced countries are primarily helping officials and technicians in the underdeveloped countries to use the basic principles and the learning skills. Rarely should they attempt direct work with the cultivators by themselves. They are helping to develop a skilled cadre to do the scientific, technical, and educational work, and to continue to meet the needs for the long years ahead.

THE SOCIAL SETTING

Many of the countries who have the greatest need to improve their food supply have only recently acquired their independence. The goals they conceive for themselves are not always the same as people from advanced countries think they should be. But the fact that they are independent sovereign states should not be forgotten for a moment.

In contrast to America and Western Europe, in most underdeveloped countries the cultivators who work in the fields have a low social status. This is an enormous handicap to agricultural improvement through the use of modern technology. Besides the fact that many cultivators are illiterate, communication is made even more difficult because so many people in the government services, perhaps unconsciously, regard them as inferior people. In the underdeveloped countries where food shortages are most severe, generally the

college curricula for agricultural scientists, compared to those for other professional careers, are the poorest and the standards for both admittance and graduation the lowest. According to a summary in the *New York Times* for June 28, 1959, less than 4 per cent of the foreign students coming to the United States study agriculture. Such a hapless lack of balance in educational effort is difficult to overcome while the socially degrading position of the cultivators seems to the young student to extend also to the professional men who serve them.

Although government leaders are trying to correct this situation, progress is slow. Moreover, many of them have this prejudice themselves, despite their efforts to overcome it. Yet experience strongly suggests that there is marked improvement only among those farm people who take a large share of the responsibility themselves. The dignity of the cultivator must be strengthened and respected. He must learn to help himself and to be self-confident of his own ability.

Unhappily, relatively few high government officials in the underdeveloped countries have a primarily rural background. Contrary to what many from advanced countries suppose, I have found these officials to be as able and as responsible as their counterparts elsewhere. But they lack agricultural knowledge, partly because of the low social status of farm people and partly because of the absence of a corps of agricultural scientists.

Perhaps the greatest handicap to agricultural improvement in many underdeveloped countries is the false notion that this improvement is a relatively simple matter. This unhappy idea has even been supported by some American and European advisers. The notion implies, firstly, that improved farming results from emphasizing a few

simple practices; secondly, that "someone" knows what these should be; and thirdly, that it is necessary only to find this "someone" and have him pass the "good word" on to the cultivators. None of these is approximately true for most undeveloped parts of the world.

SOME HANDICAPS TO BE OVERCOME

People in both advanced and underdeveloped countries must be helped to understand two basic ideas as they apply to particular areas and communities: (1) The potentialities for more food with better soil and water use range from small to exceedingly large, depending, in the first instance, on the kind of soil and what is known about it; and (2) the achievement of the potentialities is a very complex and difficult problem including scholarly scientific research and surveys, careful testing of alternatives, and full co-operation with cultivators regarded as equal citizens.

Where the full measure of these complexities is not understood, a tendency to short-cut them is inevitable. Many government leaders want to reach their goals quickly. And to get the votes in a democratic society they do need to show progress! They are attracted by the various agricultural advisory services of advanced countries without realizing that such programs, helpful as they are, are only partly responsible for the agricultural improvements of the past 150 years. A host of other essential public and private efforts also contribute to the result.

Besides public education and similar activities, many private agencies have functions of great importance in the advanced countries. For example, much of the stepped up use of fertilizers in the United States and Europe is due to the trade itself. In these countries, most improvements in farm machinery have been developed by private manufacturers.

Even individuals doing effective advisory work in the advanced countries may not themselves realize how much the results they seem to achieve depend both on basic data and on many other programs and institutions that they have always taken for granted, but that hardly exist in the underdeveloped countries. Thus, unconsciously they ascribe more of the results to advisory work than it has actually achieved, by itself, and promise far more for undeveloped areas than it can accomplish. With such a wrong diagnosis of problems requiring research and invention, the government leaders, the advisers, and the cultivators become frustrated with the results of the program.

Now this does not always happen. Some reliable data do exist in parts of these countries. Some advisers do have the skill to learn. They study the local conditions and experiences of their area of concern; they diagnose the basic problems; and they draw on the results of research and experience from similar areas, perhaps in distant countries where the soils are of the same kinds, and formulate dependable suggestions for transfers of both basic data and agricultural skills. That is, the oversimplification and superficiality that are so common are not universal.

Another kind of handicap results from the critical need for more food as well as from strong desires to progress along all other lines at the same time. Agriculture competes with programs for transport, housing, health, education, and industry, for skilled scientists and technicians, and for such materials as chemicals and steel. Curiously, in countries where food is the outstanding problem one may find the salary scales in the agricultural services lower than those in other less urgently needed services.

Naturally, the people in underdeveloped areas are struggling with the other

problems too—taxes, health, education, and so on. Other services are being changed also. With proper co-ordination these can help food production, rather than compete with it. But unhappily such co-ordination is difficult where the needs of agriculture are imperfectly understood. In crowded countries especially, the agricultural adviser finds few places to start afresh on a clean slate.

THE SUCCESSFUL ADVISER

Anyone undertaking to transfer the basic skills of agriculture from advanced to underdeveloped countries must have a well-disciplined imagination tempered with patience. He must not only use and be proficient in the skills, but he must also be able to teach them to others.

Many of us have seen good examples of people from advanced countries helping those in underdeveloped countries to make substantial progress. Such people vary from one another, of course, and their detailed methods vary with their personalities. But generally they seem to have a few vital characteristics in common:

1. They have unusually high competence in the basic aspects of their fields of learning and enough imagination to invent programs that fit the problem situation, which they are able to diagnose and to understand. Besides being outstanding specialists they have broad points of view that permit them to see how their own specialty must be related to others for successful results.

2. Successful advisers in underdeveloped countries have an enormous capacity for sustained hard work under less than ideal conditions. Hard work is necessary to complete the job. Perhaps even more important, a sense of urgency and the example of hard work spread to others.

3. Such successful advisers have good manners and courtesy, coupled with essential firmness. This gives them the ability to deal directly with top-level people in foreign governments, with the cultivators, and with other large groups of people.

One could not say that any one of these three is more important than the others. A lack of any one is an extreme handicap. A very few people who are barely adequate in America or Europe are successful abroad, but this number is very small indeed. Generally speaking, this kind of work requires men old enough to have gained experience and balance but young enough to be flexible and to work effectively within a new and different environment and with people having somewhat different ends in view.

Some say that a kind of "missionary spirit" is necessary. More important is the desire to learn and to be helpful. The able adviser who works hard at learning and at his task can influence social ends, mainly by his actions and especially by the results of his work, but little through talk alone.

REASONS FOR THE EFFORT

This is indeed a job that needs to be done for positive reasons. Americans have worked hard; and we still do. We have also been very fortunate. We have great resources per capita; we started with a great cultural heritage from classical Greece and Rome and from Western Europe; we have had great opportunities for individuals to succeed; and science and its resulting technology have had a chance to thrive.

We should share our experiences, not with any spirit of opposition or superiority but rather in the spirit of the Sermon on the Mount, with humility and thankfulness for the opportunities for constructive help.

Contributions of Colleges of Agriculture in Making Human Capital Available in Foreign Economic Development

By MERVIN G. SMITH and JOSEPH ACKERMAN

ABSTRACT: The United States agricultural colleges and extension services need to take a key role in our foreign policy. The need is great for trained people in foreign agricultural development. Agricultural colleges are conducting special assistance projects, training foreign students, and furnishing technical personnel. This has been valuable, but it is not enough if we are to be successful in the economic cold war and the world ideological conflict.

In our foreign assistance program much more emphasis is needed on the development process, the problem-solving method, broad planning, and longer-term programs. Consideration should be given to the cultural, psychological, institutional, social, and economic changes which must accompany rapid progress and economic growth. Our agricultural colleges need to strengthen their research and educational programs on managing and facilitating changes or adjustments to the rapid adoption of new technology. This is important: (1) if we are to make headway on our major domestic farm problem, and (2) if we are to develop an outstanding technical assistance program with underdeveloped countries.

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OUR challenge today is to achieve significant improvement in the ability of the masses of people in the world to satisfy their basic wants. The Western nations and the Communist bloc are involved in an ideological conflict about the type of government organization, the place of the individual, and the method of achieving rapid economic progress in underdeveloped countries.

One of the serious limiting factors to progress in such countries is the lack of training and skilled human resources. The situation can be improved if the United States fully uses an important existing resource—its agricultural colleges. Since the underdeveloped countries are agrarian their development programs must stress rapid increase in agricultural productivity.

We must recognize that the people of the less-developed countries are becoming aware of the beneficial role science and technology have played in the Western world. They expect that scientific developments could also improve their living conditions. They want, and intend to secure, the modern advantages of education, research, and technology in order to improve their health, their diets, and in general, to obtain many of the material things we regard as necessities.

After 1945, the first emphasis was on recovery from war damage. Later, assistance was provided to develop the military strength of the free world against Communist threats. With the growing desire of people for progress, increasing thought must be given to economic and technical assistance.

FARM POLICY CONCERN

Before we analyze our foreign technical assistance program and the contribution of the agricultural colleges, we shall consider briefly our own farm pol-

icy and its relation to foreign technical assistance. Our success in the entire foreign assistance program may be influenced greatly by our domestic farm policies. To some extent, we have been trying to solve our domestic farm problem through exports. This has brought unfavorable reaction from foreign countries, some justified and some not.

Our farm problem is the result of unprecedented rapid adoption of new technology in agricultural production. Although we have made many adjustments in the last few years, too many resources still remain in farming, resulting in chronic excess production over consumption and continually depressed farm prices and farm incomes. The solution to this problem lies in facilitating more rapid adjustments of resources in farm production. We should also give separate attention to improvement of foreign trade and other foreign problems, but this is not the basic problem in agriculture. Special foreign trade schemes are not likely to solve the entire farm problem; these often affect adversely the economies of foreign countries, creating unfavorable foreign relations. Such programs arouse suspicion about the United States motives and hinder our efforts to promote economic development.

Agricultural colleges are giving some attention, but need to give more, to the economic and social adjustment problems in farming, in agricultural related industries, and in rural communities in the United States. Research and education on these problems will improve our effectiveness in training personnel for technical advisory work in foreign countries.

FOREIGN TECHNICAL ASSISTANCE

In considering the part the agricultural colleges and extension services can play in our foreign policy we need first

to make a critical analysis of our total foreign aid program which has consisted of three types of assistance: military, economic, and technical. Technical assistance has constituted only about 4 per cent of the annual foreign aid budget or about 150 million dollars of the total 3 to 4 billion dollars per year. The largest part of our expenditure has been divided between military and economic assistance. Both American and foreign people are confused about the difference between these programs and the objectives and motives behind each. We believe that administratively military assistance should be more definitely separated from the other phases, not only to distinguish between the programs but also to have each phase directed by qualified specialists.

Technical assistance is mainly investment in human resources, such as educational institutions, training programs, and so forth. It is not only the least expensive form of assistance but probably the most effective. It builds strong ties of understanding, confidence, and good will. Economic assistance is mainly an investment in physical resources, such as dams, factories, and so on.

Much of the economic assistance is for so-called "impact" or spectacular projects. How much we should spend for these and how much for institutional or human resources is a difficult question.

To court popular favor, the Communists have emphasized "impact" projects, yet their technicians equal or outnumber ours. In 1959 the United States International Co-operation Administration (ICA), which conducts most of our technical assistance work, had about 3,200 technicians abroad, including about 1,100 in agriculture. In 1958 the Communists were estimated to have abroad about 6,100 technicians

of whom significant numbers were trained in economics and administration—fields in which only a very few of our technicians are trained.

ICA has had much difficulty finding qualified technicians and has often been forced to hire personnel without proper training or experience. Administrators and technicians in technical assistance work should have a broad understanding of the whole development process. Training is required to develop ability to analyze relationships between various segments of an economy and to understand the production and marketing processes, social relationships, and the role of credit and education. Most technicians with training in the natural or physical sciences lack this training, yet they are in charge of most of our development programs.

Economic and social aspects

Not enough attention has been given to the economic, social, and cultural aspects of promoting progress in underdeveloped countries where the attitudes, methods of procedure, and even the social system must often be changed and geared to the promotion of economic development. The speed with which new technology can be adopted will depend on how rapidly the accompanying social and economic changes can be effected. Unless considerably more attention is given to these aspects progress will be too slow and political and social chaos may follow.

To illustrate, when a country wishes to develop a specific area, an economic analysis should be made. Unfortunately, many of our technicians lack experience in such studies. If the analysis suggests a colonization project, some of the items which should be considered in its development would be: selection and movement of farm people to the

area; training of technicians to advise the farmers; development of transportation facilities; development of associated agricultural supply, processing, and marketing industries; development of farmer organizations, perhaps including co-operatives; training of skilled and specialized leaders and labor to work in these organizations and related industries; consideration of social and cultural problems which are likely to arise; and development of governmental and other services in the community.

Applied education

Few persons in foreign technical assistance work have the background or training to handle all these. Our personnel tend to think in terms of the United States in 1960, rather than an economy with an agriculture more like ours 100 or 150 years ago, but with an adverse ratio of population to resources.

In order to achieve economic development democratically, the people must understand their problems and take part in programs to solve them. Few people in underdeveloped countries have sufficient education to study and analyze the problems, or to cope with the much more difficult task of developing solutions to these problems. Literacy is estimated to be less than 25 per cent. Basic to all development, and this needs to be stressed more in technical assistance, is elementary education: reading, writing, and arithmetic. Unless the masses can be educated, assistance programs will be difficult to establish and may be doomed to failure. The people must understand its importance, must be trained for specialized work, and be sufficiently involved to take interest and pride in doing a good job.

Our technical assistance programs have not gone far enough in developing wide participation in the problem-solving process of applied education. In

some countries having four-, five-, or six-year plans, few leaders and even fewer citizens have thoroughly studied the problems and developed an understanding of the procedures for solving them. For this reason, many phases of the plans are never carried out, especially at the local level.

Under the method of the Communists or the dictators, a few people develop the plans and procedures. The implementation of such programs and plans usually requires considerable regimentation rather than voluntary participation. The Communists believe in widespread education to develop the skills of people. They also use economists to develop their programs. However, they have little regard for people as human beings outside of the technical context.

Both administrators and technicians find their new roles in technical foreign assistance difficult. Impatient with the lack of training or incentive of their local counterparts, they have an impulse to move in and do the job themselves. Failure may be the result; success comes only when local people learn to do things for themselves.

An understanding of the people, the way they think and work, is essential to the success of a program. Such understanding comes best from working with the people on tasks of mutual concern. The people must be convinced of our desire for their advancement, and earning their confidence is sometimes a slow process. We cannot buy this confidence and friendship with money, material goods, and military equipment. It can only be gained through understanding and mutual respect. At the same time we should not underestimate the confidence we now have.

Recently one of the authors directed a short seminar on agricultural marketing and co-operatives for Latin America. The delegates, one to six per country,

showed much interest in the breadth of the approach needed to bring about development. Some of them indicated, however, that they would not be able to do much unless more of their leaders acquired an understanding of the problems involved and the many facets that require attention if development is to be achieved. The delegates indicated they might be able to develop a broad study program if the director of the seminar could meet for a few days with their associates and leaders. Not being intimately involved, he might persuade their associates to participate in a seminar and to interest them in studying their problems more intensively and in developing improved action programs.

Congress should put foreign technical assistance on a long-term rather than a year to year basis. Uncertainty regarding continuance of the program is a serious obstacle to technical assistance. Often foreign countries cannot start major long-run projects without assurance of our assistance. Administrators who can offer only one or two years of tenure are handicapped in hiring the best personnel. Effective planning is difficult in the face of an uncertain future. Continuity is disrupted, resulting in a waste of time and funds. In spite of the short-term planning technical aid programs have justified their investment by the improvements in the economies of many countries.

AGRICULTURAL COLLEGES

Technical assistance is a major national policy that our universities and colleges must support with research and education. Our agricultural colleges, including the extension services, can make important contributions in five main areas: (1) carry out specific foreign technical-assistance projects, (2) train United States technicians for work in this field, (3) train foreign students,

(4) do research work in foreign agricultural development and relations, and (5) conduct an educational program in this country to develop a broad understanding of world affairs and especially technical assistance.

College contracts or projects

In 1959 some fifty-three universities and colleges in the United States had contracts for varied types of educational institutional assistance in underdeveloped countries. Of the eighty-nine separate contracts or projects about one third were agricultural. While some projects have been generally productive, they can and should be considerably improved.

Some difficulties have been encountered in the working relationships between the colleges and the ICA. Apparently ICA in Washington has lacked understanding of the philosophy, policy, and operation of the colleges. This has led perhaps to more checking and restrictions in the management of the projects than the colleges would have liked. On the other hand, college administrators and personnel have not had a thorough understanding of the total foreign technical-assistance program and the part that college contracts can play in the program. College projects must be co-ordinated with the larger programs which ICA and other technical-assistance agencies are conducting.

Colleges of agriculture have much to offer in advising foreign countries in developing programs of agricultural education, research, and extension. Administrators and technicians assigned to the programs have often been unfamiliar with the conditions they were to meet. Moreover, project personnel have rarely been properly trained or experienced in the over-all development process. Most of the contracts are for help in developing agricultural colleges, extension serv-

ices, and experiment stations. Not enough attention has been given to the economic, social, cultural, and psychological adjustments required in the development of these institutions. These immensely important projects should be directed by our most competent and experienced educational administrators. Our educational and technical aid must be free from the suspicion that it is a part of a military or economic pressure program.

Training U. S. personnel

If our agricultural colleges are to participate in technical assistance for an extended period, the entire staff of the colleges of agriculture should become acquainted with the foreign contract program. The various departments need to be involved in the planning, training, and assignment of personnel.

The personnel or technicians working under the special college contracts are only a small portion of the number of technicians involved in our total foreign technical-assistance program. At least, some of our colleges of agriculture need to develop plans for doing an adequate job of training technical-assistance personnel. This requires the addition of new courses, obtaining qualified teaching staff, and some reorganization of the colleges. Special training should be offered in the process of economic development and especially in the history, culture, language, economics, and sociology of the foreign countries.

If special financing, outside of the regular state and federal funds for colleges of agriculture, is required the foreign technical assistance budget might provide for it. Both the colleges of agriculture and ICA need to take a critical and objective look at these problems and design programs within our colleges to meet the needs.

Training foreign students

An increasing number of the 47,000 foreign students presently attending universities and colleges in the United States are enrolled in colleges of agriculture. The number in agriculture is likely to increase in the next few years. Besides these regular students some 8,000 foreign nationals are being brought to this country for three months to one year of training—three fourths of them by the ICA. Over one fourth of this number are in agriculture. Nearly all of our land-grant colleges have been taking these students. The courses offered and the quality and orientation of instruction could be greatly improved, and everyone concerned must work to this end. Most foreign students should have training in administration, since many of them will later find themselves in administrative positions in their own countries. Arrangements should be made for research or study dealing with problems of the student's own country. Possibly selected institutions should receive financial help to specialize in the training of these foreign students.

Research

If agricultural colleges are to participate in foreign technical assistance they must conduct research in this area, particularly in the field of economic and social development, and they should receive funds for such programs from our foreign assistance budget and from other sources.

Public education

Our universities need to include courses on economic development in the general curricula. Our agricultural extension service should include foreign policy and agricultural technical assist-

ance in its educational programs for rural people.

Can the land-grant colleges in this country meet the challenges in these broad problem areas? They must assume greater leadership in helping to solve our domestic farm problem. They must also do their share in helping the less-developed countries of the world achieve rapid economic development and growth. The pessimist will forecast

failure, saying that the democratic educational process is too slow, and that the world-wide downfall of democracy is imminent. The optimist will say that we will meet this challenge, that the concern for the human being and his supreme rights and welfare will prevail so strongly that even the Communists and regimented systems will need to give greater consideration to the human being in the future.

Land-Grant Institutions, the Public, and the Public Interest

By ROLAND R. RENNE

ABSTRACT: The land-grant institutions constitute a revolutionary concept in education. Each state, by passage of the Morrill Act of 1862, was given a grant of public land. Later acts appropriated federal funds to pay part of the operating costs of these institutions and established agricultural experiment stations and the Co-operative Agricultural Extension Service to be operated by these institutions. These institutions fulfilled the need for educating the youth of the farming and "industrial classes." From "colleges of agriculture and mechanic arts" these institutions have broadened their curricula and have become for the most part universities. Although curricula have undergone great changes in number and in specialized content there is now a great need for further adaptation to the vast complexities of present-day national and international realities. The urgency for widespread understanding of peoples will require much less specialization at the undergraduate level and much more synthesis of material which will cut across rigid, traditional course lines. Establishment of divisions or centers for international problems and policies should be accelerated. To develop consumer understanding of agricultural programs and problems, the land-grant institutions should consider the development of more educational programs among workers and their families.

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THE land-grant institutions as we know them today represent a co-operative undertaking with joint financial support by the federal and state governments for resident instruction at the college level, agricultural research through a system of experiment stations, and dissemination of agricultural and home economics information through the Co-operative Extension Service. There are sixty-eight such institutions in operation today, one in each of thirty-three states and Puerto Rico, and two in each of seventeen states—Massachusetts and sixteen southern states. Fifty-two of the sixty-eight institutions serve primarily white students and the other sixteen serve primarily negroes.

The federal act establishing such land-grant institutions is known as the Morrill Act of 1862, and the bill passed by Congress was signed by President Abraham Lincoln on July 2, 1862. The Morrill Act provided only for grants of public land to the states for the establishment of such institutions, and the states were permitted to sell parts of this land. Later, federal legislation was passed making federal funds available to cover part of the annual salaries and expenses of operating such institutions. The second Morrill Act of 1890 appropriated \$25,000 to each state for such institutions, and the Nelson Amendment of 1907 added another \$25,000 for each state. The Hatch Act passed in 1887 appropriated funds for agricultural experiment stations to be established in connection with the land-grant institutions created by the Morrill Act of 1862. The Adams Act of 1906 and the Purnell Act of 1925 provided explicitly for research grants at the experiment stations. The Smith-Lever Act of May 8, 1914 established the Co-operative Agricultural Extension Service, and made federal funds available to pay a portion of its costs. The Bankhead-Jones Act of 1935 added additional federal funds

for resident instruction, experiment stations, and extension services.

THE LAND-GRANT INSTITUTIONS

No other institutions of higher learning in the United States participate in the above federal appropriations, except the so-called "land-grant institutions." The above federal acts indicate the partnership of the federal government with state governments in providing resident instruction, agricultural research, and extension services for the people. Other institutions, including separated state universities, schools of mines, and some teachers colleges, participated in the land-grant, but none of these institutions participate in the annual federal appropriations for operating expenses. Consequently, the term "land-grant institution" as we know it today refers to only a part of the institutions that were given federal land grants.

The Morrill Act establishing land-grant institutions provides that these institutions have for their leading objects and purposes, "without excluding other scientific and classical studies, and including military tactics, the teaching of such branches of learning as are related to agriculture and the mechanic arts." Many of the land-grant institutions were known in the beginning as "A & M" colleges, or in other words, Colleges of Agriculture and Mechanic Arts. Today only eight of the sixty-eight institutions have, as a part of their official name, the term "A & M" and forty-eight are called "Universities." Only twenty, or approximately 30 per cent, of the sixty-eight are referred to as "Colleges." This change in name from "A & M College" to "State College" to "State University" shows the broadened scope of education provided by the land-grant institutions. Many of these names have been changed from

"College" to "University" in the past five years. The change in name in addition to reflecting the need for broadened educational services also reflects the declining importance of agricultural students in the total enrollment. It is significant that only nineteen of the sixty-eight institutions still use the word "Agricultural" in their official title. All of the institutions, of course, have schools of engineering which grew out of the term "Mechanical Arts." Four of the institutions carry the word "Technology" or "Polytechnic" in their official names, six carry the word "Science" or "Applied Science," one carries the term "Engineering" and one carries the word "Industrial" in its name. These last sentences epitomize the trend of the land-grant colleges toward university status.

A NEW CONCEPT OF HIGHER EDUCATION

The Morrill Act ushered in a whole new concept of higher education. These institutions were designed to serve primarily the sons and daughters of the working classes and the farm people. Evidence that this revolutionary idea met a strongly felt need in the United States and that these institutions have kept pace with the changing needs of the country is displayed in the following statistics. Although the sixty-eight land-grant institutions comprise only 3.4 per cent of the total colleges and universities of the nation, they enroll 18 per cent of the United States college population. They award 40 per cent of the Ph.D. degrees in all fields, 55 per cent of those in biology, all of those in agriculture, 43 per cent in the physical sciences, 53 per cent in engineering, 35 per cent in mathematics, 31 per cent in the social sciences, 28 per cent in business and education, 25 per cent in Eng-

lish, and 23 per cent in literature and foreign languages.¹

From the very beginning, because of the partnership arrangement between the federal government and the state governments in financing land-grant institutions, their campuses were not limited to the boundaries of individual states. Each institution was concerned with the problem of its home state within the federal setting, including national problems, policies, and programs. This was especially true in the case of agricultural education, agricultural research, and agricultural extension, but to a lesser degree in the other fields of study offered. As the position of the United States changed to its present one of world leadership with its technical assistance and other aid programs, the campus of the land-grant institutions has likewise expanded so that now the world is their campus. They are the principal recruiting grounds of the federal government, other friendly nations, foundations, and commercial interests abroad. Their system of co-operative agricultural extension services has been adapted to many parts of the world.

EDUCATION FOR WORLD LEADERSHIP

Education directed towards understanding other peoples is one of the important needs of our nation. Such understanding is prerequisite to effective technical and economic assistance, to expansion of world trade, and to the implementation of United States foreign policy. Adapting the land-grant college idea to underdeveloped nations by working directly with the people and by helping them solve their own prob-

¹ See Russell I. Thrackrey and Jay Richter, "The Land-Grant Colleges and Universities, 1862-1962: An American Institution" in *Higher Education*, United States Office of Education, Vol. 16 (November 1959), pp. 3-8.

lems through education and demonstrations is an important part of this implementation, for which specialization in limited technical fields will not suffice. The undergraduate curricula should be as comprehensive as possible in the humanities, social and natural sciences, without heavy specialization until the graduate level.

This education should provide the American people and particularly their leaders with the concepts, knowledge, and methods for understanding the nature of the existing international situation and the course of its development. To be fully effective this would require making a long overdue reappraisal of the social science curricula at the high school and undergraduate levels, in terms of the current world situation rather than in terms of the outdated view of narrow, highly specialized academic disciplines.² For a sound approach to almost any international problem the specialized academic departments of history, economics, sociology, political science, psychology, and so forth, must be presented, not as isolated fields, but as an organic synthesis. Furthermore, the broader the background of education of the individual the better he is able to comprehend complex international problems.

One of the most difficult problems in the effective preparation of students to cope with the realities of modern complex international relationships and policies is to find a way of adequately understanding "the many-faceted nature of social phenomena which avoids both emaciated generalization and indigestible masses of data."³ The interdisciplinary curricula are too often insufficiently integrated to be realistic in

terms of actual world problems. This situation is aggravated in many of the land-grant institutions by the heavy emphasis on the natural sciences—physical and biological sciences.

A few of the land-grant institutions have recognized the importance of meeting their international obligations more adequately by establishing an institution-wide agency or division on "international programs" or "international services" whose head—a Dean or Director—reports directly to the president. For example, Michigan State University calls its division "International Program" which is under the direction of a Dean. Montana State College refers to its unit as the "International Cooperation Center," which is administered by a Director. The University of Vermont has established a special Bachelor of Science degree in "International Science." These are each attempts to secure more interest from the entire campus by cutting across departmental and specialized division or college lines and thus service its international obligations on a parallel basis with its national and state obligations. It is hoped that most land-grant institutions will establish such campus-wide international centers or divisions promptly.

Even though land-grant institutions have grown rapidly in enrollments and services, many do not give a degree in the liberal arts and social sciences or, if they do, the degree is frequently a Bachelor of Science rather than a Bachelor of Arts. Under these circumstances it is very difficult to obtain strong liberal arts and social science instruction requisite for a broad understanding and appreciation of current international problems and policies. Because of the demands made upon the land-grant institutions to furnish personnel for international programs, they have a very special obligation to provide adequate

² See Theodore Geiger, "Education for the World Responsibilities of the United States" in *Looking Ahead*, National Planning Association, Vol. 8, No. 2 (March 1960).

³ *Ibid.*

training for this personnel. Greater emphasis, at least at the undergraduate level, on well-balanced, integrated, interdisciplinary studies would help to reduce the lag between American responsibility for world leadership and present American performance which, if it continues, may prove fatal to the program of the western nations.

SYNTHESIS VS SPECIALIZATION

Our social, political, economic, and industrial structures have undergone revolutionary changes in the last three quarters of a century, and our educational structure should be adapted to meet these changes. This adaptation cannot occur simply by the addition of more highly specialized courses, but must come through reorganization of our existing courses. Our educational structure has been characterized by a mushrooming and pyramiding of numerous specialized courses and curricula. This proliferation of courses and our multiple-major educational structure offers students a wide choice of professional and academic fields in which to specialize, but only within rigid specialized curricula. There is a great need for a shift from the multiple-major structure to the multiple-level structure, and we should regroup our highly specialized curricula, retaining those more applicable to modern everyday situations, consolidating others, and eliminating those which have become antiquated.

The overemphasis upon numerous highly specialized curricula is pronounced in the field of agriculture, and it is in this field where the land-grant colleges have had practically exclusive control. The large decline in farm population and agricultural enrollment has resulted in many small classes and expensive instruction because of the proliferation of agricultural curricula and courses. For example, in most land-

grant institutions there are numerous agricultural curricula such as general agriculture, agricultural economics, agricultural education, agricultural engineering, agronomy, animal industry, dairy manufacturing, dairy production, horticulture, poultry industry, range management, rural sociology, and soils. In each of these thirteen fields specific four-year tabulations of courses are set up, averaging around two hundred quarter credits or about one hundred and thirty semester credits.

Three or four land-grant institutions have already achieved a consolidation of these narrow, rigid, highly specialized curricula into four or five broader curricula such as agricultural business, agricultural production, agricultural science, agricultural education, and agricultural engineering. Much more needs to be done along these lines if agricultural graduates are to receive the kind of basic education in the sciences and humanities which is needed in today's world. These fewer and broader curricula make it possible for the individual to secure education in the basic principles and theories essential to develop the objective reasoning necessary for effective adaptation to varying situations and requirements in our modern society.

RESPONSIBILITIES TO LABOR

The land-grant institutions have manifested little interest in the industrial classes in spite of the fact that the Morrill Act emphasized that they were to be people's colleges for the education of the youth of the "industrial classes" which included both workers and farm people. There is no program to keep workers and their families abreast of current developments that most concern them. There is no labor extension service, there are few short courses, no demonstration projects, no annual fairs, or any similar services for

labor comparable with those for agriculture. It is true that the federal government has not appropriated funds, in partnership with the states, to develop a labor extension service in a manner comparable to the co-operative agricultural extension service, but within the states the land-grant institutions with very few exceptions have not taken any major responsibilities in the labor field proper.⁴

One of the greatest needs of American agriculture is that its problems, programs, and policies be understood by consumers. Workers' families constitute the largest single block of consumers. The land-grant institutions therefore have a special interest in and obligation to provide adequate information about these problems, programs, and policies to workers and their families. As has been pointed out earlier, these problems,

⁴ See Brendon Sexton, "A Responsibility Forgotten: A Relationship Between the Land-Grant Colleges and the Labor Movement" in American Association of Land-Grant Colleges and State Universities *Proceedings* (1955), pp. 89-94.

programs, and policies in the mid-twentieth century have a world-wide import.

Another very great need in American agricultural policy is unity of purpose and method among farm leaders.⁵ This will be difficult to achieve, but the land-grant institutions through concerted, dedicated efforts in education and extension programs ultimately may be able to achieve such unity. Perhaps the most important development in educational services rendered by land-grant institutions in the next decade will be synthesis. Farm problems do not occur in a vacuum nor do labor's problems.

Land-grant institutions have been pioneers in the educational services the country has needed to develop its natural and human resources. The next phase of their pioneering may well be to guide curriculum development and extension in the fields of international understanding and to integrate those domestic policies with international policies when the two are interrelated.

⁵ See Bushrod Allin, "Agriculture's Public Relations" in *Journal of Farm Economics*, Vol. 40 (May 1958), pp. 187-195.

Potential Contribution of Agriculture to Economic Growth in Less-developed Countries

By SHERMAN E. JOHNSON

ABSTRACT: Substantial betterment of conditions in the less-developed countries is dependent upon both private and public action to achieve rapid increases in output. Improved technology is the key to higher output, but successful adoption requires additional capital and the learning of new technical and management skills. Agriculture can become a leader in economic growth by providing labor-intensive employment for rapid increases in food production. Larger food supplies also will lessen the inflationary pressures resulting from the construction phase of a development program. With the help of technical advisers, combinations of improved technology can be adopted that will greatly increase production per acre with a small investment of capital in relation to the resulting output. The combinations usually include chemical fertilizer, improved seed, pesticides, and better soil and water management. Help also will be needed in obtaining the necessary production supplies, in arranging credit at reasonable rates, in developing storage and marketing facilities, and perhaps even in providing for changes in the tenure system. All of these aids may need to be combined into one program in order to shift rapidly from a primitive agriculture to the beginnings of modern farming.

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THE greatest unsolved problem of our times is the abject poverty of the masses of people in the less-developed countries. Their continuous struggle for food is a primary cause of international instability. Promises of rapid economic improvement have a powerful appeal to people who are living at bare subsistence levels.

Not long ago most of the people in the less-developed countries accepted poverty as their ordained lot, but airplane transport and radio communication have facilitated the spread of information that betterment is possible. They now expect their governments to provide conditions conducive to improvement. Leadership that inspires confidence in government and public institutions that facilitate progress are essential steps in development, but substantial betterment for the masses is dependent upon private as well as public action to achieve rapid increases in output of the entire national economy.

Improved technology is the key to higher output—in agriculture as well as other industries. But successful adoption of new techniques requires additional capital investment in order to establish new industries and to rehabilitate the old. New technical and management skills will need to be learned, and perhaps many of the established institutions that inhibit change will need to be modified. Moreover, the various segments of the total effort must be synchronized in order to prevent unbalanced production.

All of these activities will need to be undertaken within a relatively short period of time because a part of the demands for better living of the rank and file will need to be satisfied without delay if governmental stability is to be maintained. And total output must expand enough to increase per capita output, and not merely keep pace with

the increase in population. To achieve a synchronized program of this type requires competent leadership in both planning and program operation.

AGRICULTURE'S CONTRIBUTION TO GROWTH

Agriculture's contribution to the development of a self-generating economy becomes evident if we consider present conditions in the less-developed countries. Many of these countries are overpopulated, at least in relation to the resources that are now developed. From 50 to 80 per cent of the total population is dependent upon agriculture for a livelihood. Most of the farm villages are relatively untouched by the technical and economic changes of the last 200 years. Consequently, crop yields and livestock production are extremely low in comparison with the more-developed countries.

Annual income per person in the densely populated countries averages as low as \$60 to \$75, compared with more than \$2,000 in the United States. Food absorbs most of this meager income. Consequently, any increases in national income will be translated immediately into additional demands for food. Unless these demands are met with larger food supplies, inflationary pressures will develop that may be very difficult to control by rationing or by any other means. Unrest is easily generated in people who are impatient for specific evidences of betterment.

How can the necessary food be obtained? Domestic food production can be increased by two methods: (1) Adoption of improved production techniques, which will result in higher output per acre, and (2) development of additional land. The first method holds the greatest immediate promise in most areas. Even when additional land is available for development, it usually requires expensive drainage, clearing, or irrigation.

Scarcity of capital in the early stages of development, therefore, will place definite limits on land reclamation, unless it is a part of power development or unless improved production techniques can be readily adopted on the land which is reclaimed.

It may be feasible to supplement domestic production with food imports, but unless food imports are obtained under foreign aid programs, they will absorb scarce foreign exchange which is needed for other segments of the development program. Moreover, imports under special programs usually cannot meet all the needs of a rapidly increasing population.

Some of the less-developed countries produce food products for export. They also produce such so-called "industrial crops" as rubber, cotton, jute, and sisal. The industrial crops as well as such food crops as sugar, coffee, and tea are likely to be produced on large plantations alongside of the small farms producing mainly for family subsistence. The export crops provide foreign exchange; and increases in productivity should facilitate import of additional capital goods needed for growth in all sectors of the economy. We must recognize, however, that expansion of some of these crops may result in relatively saturated markets and declining prices.

Capital formation

We have said that additional capital and the requisite technical and managerial skills are necessary to adoption of the improved technology that is essential for economic development. Some capital and technical aid can be obtained from abroad. But the flow of private foreign investment and skills is inadequate; and although public aid programs can function as catalytic agents, they cannot perform the job alone. Capital formation must take place within the country—for invest-

ment in new industries, for exploitation of undeveloped resources, and for rehabilitation of the existing agricultural and industrial plants.

The new investment must include facilities for technical and management training in order to provide competent personnel to man the new enterprises. In many countries this will include establishment of a complete educational system beginning with the primary grades.

The smaller the margin above subsistence, however, the less opportunity there is for financing such investment by taxation or by other means of involuntary saving.

Here is, indeed, a dilemma. Capital formation within the country is necessary for economic growth. But there appears to be no margin for either voluntary or involuntary savings. Some of these countries, however, do have islands of progress in industry and trade. These isolated operations can furnish the nucleus for industrial growth, but they cannot bear the entire burden of capital formation. Members of the small elite class perhaps can be induced to invest in new enterprises instead of hoarding their wealth or spending it on consumption goods. Heavy purchase taxes on goods other than the barest necessities also may siphon a part of the income of this class.

Within the agricultural sector some landlords and operators of the larger farms have incomes sufficient to provide capital formation either through voluntary savings or by taxation. Agricultural capital for increasing food production can be built up by employment of unutilized rural labor on work which can be carried out with hand labor and simple tools. Terraces, surface drainage, minor irrigation development, access roads, and local storage facilities are examples of this type of construction. Fortunately, also, in most areas a com-

bination of improved practices can be adopted to increase yields per acre with a relatively low input of capital in relation to the resulting output. On present farms the additional capital will be used largely for current inputs of improved seed, commercial fertilizer, pesticides, and simple farm tools. But if these materials are to be made available to cultivators, they either have to be produced in factories within the country, or imported. This is likely to involve some scarce foreign exchange, either for building of factories or for importing of fertilizer and other supplies. Although some initial capital will be needed to utilize surplus labor effectively in agriculture, the returns are likely to be higher and the waiting period shorter than for most other investments.

In many of the less-developed countries, near-term expansion of food production is not severely limited either by the climate or by the soil and water resources. Present production per acre is so low that it could be doubled, or even trebled, by application of modern technology. The gap between present output and physical potentialities is well illustrated by crop yields in India. The average yield of wheat per acre is about 10 bushels, or approximately half the average yield in the United States. The average yield of rice is about 800 pounds per acre compared with about 3,000 pounds in Japan. The soil and water resources of India respond to new systems of farming. In some pilot areas, effective combinations of aid have enabled cultivators to obtain yield increases of 50 per cent or more. The return on the additional expenditure probably has averaged better than a ratio of 3 to 1.

DEVELOPMENT IN AGRICULTURE

Although the production potentialities of combinations of new technology and management assistance have been

demonstrated in most countries, we must recognize the impediments to general adoption of the new ways of farming. Perhaps the greatest handicaps to be overcome are illiteracy and the village people's lack of knowledge concerning conditions outside their own immediate environment. This lack of knowledge generates suspicion of outsiders. To break with tradition will require gaining the confidence of at least a small group of cultivators in each village who can be made aware of the benefits to them of adopting improved methods. They must then be willing to become innovators of the new system of farming, and help persuade others to follow their leadership.

Even after the "crust" of suspicion has been broken and the desire for improvement has been stimulated, there are still many obstacles to be overcome. An effective technological break-through requires development of farming systems which include a combination of improvements. Single measures such as better seed or use of commercial fertilizer may result in small increases in yields per acre, but when these improvements are combined with better tillage, and when pesticides are used as needed, the combination of practices will have a multiplying effect on yields.

Cultivators will need considerable technical and management assistance if they are to adopt successfully such a combination of improved practices. The seed, fertilizer, and pesticides must be available to the cultivators when they are needed—and in adequate quantities. Some improved tools and equipment also must be available. Most cultivators do not have either financial resources of their own or credit available at reasonable rates to purchase the needed materials and supplies. Consequently, credit arrangements will need to be devised that will provide loans at moderate interest rates and repayments based on

potential increases in output. Furthermore, the cultivators are operating so close to the margin of subsistence that they cannot afford to take the risk of either crop failure or lower prices. It may be necessary, therefore, to provide assurance to cultivators that they will be protected against lower crop yields and lower prices.

In some areas, the land-tenure system may prevent the cultivators from realizing sufficient gain from increased production to make the effort worth while. Perhaps also the physical fragmentation and dispersal of holdings will impede or prevent adoption of improved techniques. When land reform and consolidation of holdings are prerequisites to agricultural development, the process is likely to require courageous public measures to deal with these obstacles.

The guiding principle in furnishing technical and management assistance should be to help in overcoming any obstacle to successful adoption of the new farming program. This will include help in (1) adopting combinations of new technology, (2) obtaining the necessary production supplies, (3) arranging the credit to purchase supplies, (4) developing a market for the product, and (5) perhaps even helping to change established institutions such as the tenure system.

All of these steps may be involved in the transition from primitive agriculture to the beginning of modern farming. There are no panaceas. The assistance program will need to be tailor-made to overcome the obstacles that are encountered in each area.

In the laudable zeal for rapid change it is necessary for both native and foreign technicians to recognize that modern technology cannot be successfully transplanted from one country to another. It must be adapted to the culture and the environment of the people who are involved in the change. In

countries with much underemployment in agriculture, first attention must be centered on ways of utilizing, with a minimum of new capital, the available labor to increase total output. At this stage, labor-saving equipment would involve scarce capital and would displace labor that could not find other employment.

Production per acre can be greatly increased by improved practices that are suitable for use with hand labor and bullock power. Many tools are available that constitute intermediate steps toward a mechanized agriculture. Workers from less densely populated areas need to recognize that farming in many of these countries will remain a labor-intensive and small-scale agriculture, even when much greater efficiency has been achieved.

BALANCED ECONOMIC DEVELOPMENT

The end purpose of economic development is to provide a better living for the majority of the people. Economic development in the nonagricultural sectors is likely to begin by building new plants and equipment for new manufacturing enterprises. Such construction will provide more employment and increased income before the output from the new plants becomes available for purchase. A large portion of the higher income will be spent for food. If agricultural development has been undertaken to supply these growing demands for food, inflationary tendencies will be restrained. At the same time, farm people will obtain higher incomes from the larger output. They will then spend more for manufactured goods when these become available, which in turn will provide a wider market for the industrial sector. In both sectors the higher incomes will provide some margin for saving which will be available for new investment. The tax base also will be larger.

Improvements in agriculture, by themselves, may not generate sufficient momentum to raise the entire economy to a higher and self-generating level of production, but agriculture can become the leader in economic growth. The circle of stagnation can be broken by initiating developments in agriculture. Productive labor-intensive employment for rapid expansion of farm production can be provided in the early stages of the "take off" period. In food-deficit countries, this will mean more adequate food supplies, and use of scarce foreign exchange for other imports. In food-surplus countries, more foreign exchange

will be available for development of other sectors of the economy.

Eventually, the nonagricultural sectors of the economy should achieve sufficient momentum to provide employment for many of the underemployed workers in agriculture. By that time, the improvements in agriculture will have gathered sufficient momentum to continue their upward trend, and purchases by farm people for production and for better living will provide a growing market for manufactured products. In this way simultaneous development in agriculture and industry will result in rapid, self-generating economic growth.

Overhauling United States Farm Price Policy

By G. E. BRANDOW *

ABSTRACT: Production from American farms is overflowing commercial markets not because high prices have pulled resources into agriculture but because rapid technological progress has pushed productivity ahead faster than the slow expansion of markets and the withdrawal of land and labor from agriculture could accommodate. Substantial adjustment of farm resources is needed, but adjustment as it occurs in free markets cannot prevent chronic farm depression when technology is advancing rapidly nor are severely depressed incomes essential for adjustment. The case for control of market supply as the mainstay of domestic farm policy has become dominant in recent years. The means proposed include (1) a revised and gradually expanded program to retire voluntarily the poorest cropland and (2) direct controls, involving compulsory retirement of land, on the large-acreage field crops. Such a policy need not impair the future productivity of agriculture, but the amount of government intervention required remains an important obstacle to farmer support.

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*The helpful criticisms of Herman Southworth are gratefully acknowledged.

IN 1959, as the accompanying table shows, American farmers harvested about 325 million acres of cropland. Most of this acreage was an actual or potential source of livestock feed: corn, oats, barley, grain sorghums, and hay are grown mainly for livestock, wheat is an excellent feed though its price has restricted its use largely to food, and the oilseed meals obtained from cotton and soybeans are the leading high-protein feeds. Aided by good weather, crop production exceeded feed requirements

of livestock and commercial market outlets at 1959 prices. Surpluses continued to accumulate despite large-scale disposal operations. Most farm prices were not high; the ratio of prices received by farmers to prices paid was 20 per cent below the favorable level of 1952, and realized net income of farm operators from farming had declined 24 per cent.

If farmers had produced in 1959 only those quantities for which commercial markets were available, and if normal

TABLE 1—CROP AND LIVESTOCK PRODUCTION AND PRICES: ACTUAL 1959 SITUATION COMPARED WITH ONE IN WHICH PRODUCTION WAS ADJUSTED TO COMMERCIAL MARKETS

PRODUCT	ACTUAL 1959 SITUATION					MARKET-ADJUSTED SITUATION			
	Unit	Acres harvested, mil.	Yield per acre	Production, mil.	Farm price, ^a dol.	Acres harvested, mil.	Yield ^b per acre	Production, mil.	Farm price, dol.
CROPS									
Corn	bu.	84.6	51.5	4,361	1.07	76.6	48.6 ^b	3,725	1.25
Oats	bu.	28.5	37.7	1,074	.619	20.5	37.2 ^b	760	.65
Barley	bu.	15.1	27.9	420	.884	12.7	29.6 ^b	375	.92
Grain sorghums	bu.	15.6	37.2	579	.941	12.7	29.6 ^b	375	1.04
Wheat	bu.	53.0	21.3	1,128	1.75	37.6	20.6 ^b	775	1.40
Soybeans	bu.	22.4	24.0	538	2.02	22.5	22.2 ^b	500	2.15
Cotton	bale	15.2	.969	14.7	.315 ^d	15.5	.938 ^e	14.5	.25 ^d
Hay	ton	69.4	1.62	113	19.50	69.4	1.62	113	20.00
All other crops		21.1	—	—	—	21.1	—	—	—
Conservation reserve		22.4	—	—	—	0.0	—	—	—
Total acres		347.3				288.6			
LIVESTOCK AND LIVESTOCK PRODUCTS									
Cattle	lb.	—	—	24,847 ^e	.2250	—	—	27,000	.1800
Calves	lb.	—	—	1,853 ^e	.2710	—	—	2,850	.2000
Hogs	lb.	—	—	21,202 ^e	.1420	—	—	19,500	.1675
Sheep and lambs	lb.	—	—	1,556 ^e	.1804	—	—	1,550	.1850
Chickens	lb.	—	—	7,000 ^e	.154 ^f	—	—	6,250	.1800 ^f
Turkeys	lb.	—	—	1,400 ^e	.237	—	—	1,300	.2600
Eggs	doz.	—	—	5,421	.310	—	—	5,250	.3600
Milk	cwt.	—	—	1,244	4.16	—	—	1,200	4.15

^a Calendar year averages.

^b Computed by projecting back to 1959 the normal weather yields given for the period from 1960 to 1965 in *Production Prospects for Wheat, Feed, and Livestock, 1960-65*, ARS 43-115, U. S. Department of Agriculture, December 1959, p. 12.

^c Estimated normal-weather yield.

^d American upland, per pound.

^e Liveweight slaughtered. Estimates for chickens and turkeys are based on incomplete data.

^f Weighted average of broilers and farm chickens.

growing weather had prevailed, the harvested area would have been more than 35 million acres smaller than it actually was and nearly 60 million acres smaller than it would have been without the conservation reserve.

Rather arbitrary assumptions about prices were made for the hypothetical situation. Cotton and wheat prices were lowered to levels that would permit dollar exports in recent volume without subsidy. Feed grain prices were raised moderately, and the expected volume of dollar exports was reduced below the amount sold abroad, with subsidy, in 1959. Exports under P.L. (Public Law) 480 were not considered part of the commercial market. The price estimates average only 75 per cent of parity, the present legislative price standard. All estimates are necessarily rough approximations. Aggregate normal-weather crop production was about 8 per cent too large in 1959 by these modest criteria. Total livestock production was only slightly too high but would have been excessive if expanded sufficiently to absorb the surplus production of feed grains and wheat.

More labor was employed in agriculture than needed in an ideal situation to produce either the actual or the market-adjusted volume. This was the case in important parts of commercial agriculture—the 44 per cent of all farms that in 1954 marketed 91 per cent of all farm products—but was especially true among the semisubsistence and part-time farmers whose units were much too small for efficient operation. There were 4,640,000 farms in 1959—by the old definition—but their output could have been produced by fewer than 2,000,000 units without adding to the number of larger-than-family farms. The farm labor force, according to estimates by the Department of Commerce, averaged 5,836,000 hired and family workers in 1959; at a very rough guess,

perhaps 3,500,000 would have been sufficient on larger and better organized farms.¹ But many of the apparently superfluous workers had limited skill for nonfarm occupations, were advanced in age, or for other reasons had no more potential earning power outside of agriculture than in it. To assume that an agriculture of fewer than 2,000,000 farms employing 3,500,000 workers is practicable in the next few years would be a misinterpretation of the estimates.

Any substantial reduction of labor in an ideal situation would be in part offset by an increase in machinery and equipment. This might not be large, however; many farms are equipped to handle more acreage than is presently farmed. Incidentally, if the reorganization of farm size, labor force, and use of capital considered here had existed in 1959, the superior management accompanying it would have raised crop and livestock yields and would have reduced still further the crop acreages for the market-adjusted situation.

THE COMMERCIAL FARM PROBLEM

At the end of World War II agriculture had a high production base, and during the 1950's the availability of new technology continued to raise potential production faster than peacetime markets expanded. Farmers have comparatively fixed resources of land and family labor and, unlike producers in much of industry, have no ability as individual firms to influence prices by varying their own production. Their economic incentives are to adopt new methods whether prices are high or low and to expand output without regard for total market outlets. A thrust of new technology often lowers farm prices in free markets by more than produc-

¹ The basic assumption for this estimate is that output per worker throughout agriculture could be at least as high as it was on economic class III farms in 1954.

tion costs per unit are reduced. Then all of the benefits of technology, and more, are passed on to the general public. When this happens in large sectors of agriculture, strong economic pressure is exerted to reduce labor and land resources. Even a large outflow of labor may have little effect on production and prices when technology is advancing and farms are being consolidated, however, and good land does not go out of production. During the extreme economic and weather vicissitudes between 1920 and 1959, cropland² varied less than 5 per cent from its average.

When technology is advancing rapidly, as it did in the 1950's and promises to do for years to come, chronic farm depression results. This was the situation in the 1950's, with one great exception: government programs diverted supplies from the market and prevented as much decline of farm income as otherwise would have occurred. The programs probably did little to hold resources in farming, but they raised surplus stocks and government expenditures for agriculture to unacceptable levels.

The immediate problem posed by the too-high rate of current production and by the 9 billion dollar stockpile of farm surpluses is a 'dismaying one. Demand for total farm output is highly inelastic: if all crops available in 1959 with normal weather had moved into domestic consumption directly or through livestock, the farm price of corn might have fallen below 70 cents per bushel, wheat to 75 to 80 cents per bushel, and hogs to about 10 cents per pound. Disastrous is not too strong a word to describe the income effects of such prices. Larger exports would modify the domestic impact of selling in a free market, but trouble would appear abroad as well as at home. The prices at which

Canada, Australia, and other exporters could sell wheat might be reduced by one fourth without much increasing world trade in the commodity or our share of the total. Nations exporting corn, cotton, fats and oils, rice, and tobacco would be affected adversely, and among these would be some economically weak countries heavily dependent on agricultural exports for foreign exchange.

FOREIGN OUTLETS FOR SURPLUSES

Possibilities of using American farm products in aiding underdeveloped countries, as under P.L. 480, are not fully known. In the next few years the United States can supply large quantities of farm products without foregoing other goods and services, for we have large stocks on hand and excess resources in agriculture. In the more distant future, when labor can be engaged in other pursuits, a dollar spent for farm products will need to have as much potential benefit as a dollar spent in other ways to be a justified expenditure for foreign aid. If—as seems possible, but unlikely—large exports of farm products are warranted by this test, then a substantial contribution to solving the domestic farm problem without conflict with other policy will have been made. At least, we should be prepared to deal with the domestic problem in other ways while standing ready to furnish farm products to the extent needed.

Commercial markets abroad offer much less opportunity for depleting American farm surpluses than do exports outside of commercial channels. Dumping is ruled out for obvious reasons. World trade in farm products is greatly influenced by governmental policies, underdeveloped countries are increasingly restive about the price instability that has always plagued their markets, and international commodity

² Acreage harvested, lost through crop failure, or in the conservation or acreage reserve.

agreements rather than the classic precepts of free trade appear to be the next evolutionary step in regularizing exchange among nations. The United States is turning from old desires to gain domestic agricultural stability through exports to a recognition that international stability must be considered in shaping domestic farm policy.

MANAGING FARM PRODUCTION

The excessive rate of current farm production and the high potential for further increase are strong reasons for making supply control the central instrument of domestic farm policy. The desirability of routing income to agriculture through the market rather than through the federal budget, where farm programs and governmental services not having the market as an alternative compete for support to the disadvantage of both, is an additional reason for supply control.

The effectiveness of present acreage restrictions on controlled crops has been impaired by rising yields per acre, and the diversion of land from controlled to uncontrolled crops has made the restrictions almost wholly futile in curbing total output. The conservation reserve attempts to induce voluntary retirement of cropland by payments to farmers. Since the poorest cropland usually is the first attracted into the reserve, the program would have had to exceed 60 million acres in 1959 to adjust output to commercial markets. The program is resisted where retirement of much poor land depresses local economic activity, and it will become increasingly expensive if it is expanded enough to cut output importantly and to improve prices. A revised and gradually expanded conservation reserve has a useful role in speeding adjustments of both land and labor, but the size and urgency of the present general problem, together

with the special circumstances of wheat and some other commodities, require a direct attack through compulsory controls.

Serious administrative difficulties and the attitudes of farmers probably must restrict a supply control program initially to the most urgent and intractable aspect of the problem—controlling production of feed grains, wheat, cotton, and soybeans without shifting land to the production of other crops. Farmers voluntarily adjust livestock production more readily to the feed grain supply than they adjust total crop production to market outlets, though important differences exist within the livestock category.

Probably the only feasible way to control output of feed grains is to restrict acreage and to require land taken from the production of these grains to be held idle. A considerable potential for increasing per-acre yields exists, and it would be better use of resources and more profitable to farmers to apply controls to actual production than to acreage. But so large a volume of feed grains is fed to livestock on the same farms that direct control of bushels produced does not seem possible. For cotton, soybeans, and most wheat, sales quotas should be used, in addition to idling a portion of the cropland, to prevent the use of nonfarm resources—for example, fertilizer—to produce unwanted yield increases. Sales quotas can be extended to other crops and to livestock products where feasible and acceptable.

In a number of special situations, other types of controlled marketing already exist in the form of marketing agreements and orders or where farmer co-operatives have a degree of market power. These situations will grow in importance but cannot extend, for many years at least, to the large-acreage field crops. Decisions of marketing or proc-

essing firms determine the volume of farm output in some instances of vertical integration, and such situations will also become more important.

As a necessary supplement to production control and desirable on its own merits, a storage program to stabilize annual utilization and prices of controlled crops will be required. Wheat is such an aggravated case of imbalance between production and market outlets that domestic prices probably must be above export prices, and similar pricing may be needed for some other export crops.

Two important objections to production control are possible inefficiencies in use of resources and magnification of government power. The labor of succeeding generations is the principal agricultural resource likely to be in excess but having productive alternative uses. The common thesis that price supports are a prime reason for locking labor in agriculture is not supported by experience. The many inadequate farms on which unskilled people labor unproductively for low economic rewards became established in a free market, and more progress was made in solving the prob-

lem under price supports in the 1950's than at any time prior to the 1940's. Supply control in commercial agriculture is less relevant to labor mobility than the education and skills of farm people and the availability of attractive nonfarm jobs.

How productive agriculture is twenty-five years from now will depend more on technological progress than on any other matter. It is reasonable to suppose that technology will be developed and applied as rapidly in a stable agriculture under supply control as in any other circumstances likely to prevail.

Perhaps no group in America would be more disposed than farmers, other things equal, to reject the government intervention involved in supply control. But other things are not equal, and farmers individually and collectively are torn between their preference for freedom from government interference and their inability to cope with the massive farm problem without government assistance. To be successful, supply control must be supported by the majority of the farmers affected and should enlist their participation in making program decisions.

Cotton

By M. K. HORNE, JR.

ABSTRACT: The United States government functions as the price leader for cotton in international trade, and as an inevitable consequence it plays the role of residual supplier on the world market. This means that United States exports of cotton fluctuate widely from season to season, while other exporting nations enjoy greater market stability. By supporting the world price level and by serving as the stabilizing factor in the world market, this country has provided a little-recognized source of strength to many weaker nations. Foreign cotton consumption passed its prewar peak in 1950-1951 and subsequently has continued to rise at an average rate of 1.5 million bales a year; but foreign production expanded even more rapidly through the season of 1955-1956, so that United States exports were threatening to disappear almost entirely. While this country cannot presently escape the role of residual supplier, it can use its responsibility as price leader with reasonable regard for the problems of foreign producers and of its own citizens as well. Since 1955-1956, an export subsidy has placed restraint on the upward trend of foreign production and has improved the outlook for United States exports. The cotton farmer's opportunity to escape reliance on the export subsidy lies in shifting the emphasis of production costs from labor to constantly improving technology.

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COTTON is a clear case of an agricultural commodity for which the United States government functions as the world price leader. This is true by virtue of some simple arithmetic. During the past five seasons we supplied 32 per cent of the cotton which moved in world trade. Of some forty other cotton-exporting countries there was none which could account for even half so much. The basic decisions governing the general price level at which we export cotton are made by one agency, the federal government. In other words, one decision-maker determines the price for a third of the international trade in cotton. So long as the foreign world depends upon us for this large fraction of its imports, we can, by withholding cotton except at a certain price, draw the whole market up toward the general vicinity of that price. And so long as we hold big stocks, we can, by selling cotton at any price, drop the whole market down toward the vicinity of that price.

This position of price leadership is accentuated by the fact that virtually all our competitors in cotton exports—Mexico, Egypt, and so forth—have neither the local finances nor the supplies of foreign exchange to permit them the luxury of holding their cotton through periods of price weakness. Only the United States can afford this dubious luxury.

Our role as the price leader is far from a comfortable one. Whenever price leadership exists in any commodity, the smaller competitors enjoy quite a trading advantage. When market conditions are tight and sales are easy to make, they can raise their prices up to or above that of the leader. When the market is glutted, they can nearly always continue making sales by cutting their prices slightly below that of the leader.

This is just the situation which has

bedeviled the makers of United States government policy toward cotton. In the season-before-last, for example—August 1, 1957–July 31, 1958—this country obtained 41 per cent of the world trade in cotton. This was because the volume of trade was relatively strong. Last season, on the other hand, was one of recession in the world cotton trade, and we received only 22 per cent of the business.

THE ROLE OF RESIDUAL SUPPLIER

It is charged, quite correctly, that in these circumstances the United States serves merely as the residual supplier of cotton to the world. Other countries, by selling below our price when necessary, can assure themselves of a market for their production year after year. In crudest terms, we take whatever market they leave us.

It is a great oversimplification, of course, to generalize in this manner without regard for differences in quality and merchandising efficiency. The quality of cotton is a thing of vast importance, complexity, and—I must add—controversy; but if space permitted a discussion of this subject we still would find that in a broad sense our country functions as the residual supplier.

There naturally is much criticism of the government for allowing itself to be caught in this weak bargaining position for the world market. Indeed the existing law undertakes to rid us of this position by ordering the Commodity Credit Corporation "to make cotton available at prices not in excess of the level of prices at which cottons of comparable qualities are being offered in substantial quantity by other exporting countries."

The difficulties are apparent. If the United States were a small factor in the world cotton trade, the government could not be the price leader even if it wanted to. But since it actually is

such a large factor, the government does not really have the power to abandon the role of price leadership. If we try to follow the prices of our competitors downward, we may drive them down further. We could find ourselves following downward a price which we ourselves were driving downward.

There seem to be only two routes by which we could escape the burden of price leadership. One would be by continuing to become a smaller and smaller factor in the world cotton trade until at length we no longer held the power to affect the price so decisively. We are much closer to that position now than in decades past. Indeed within recent years we seem to have experienced short periods in which the world received a foretaste of this condition. During 1955 particularly, for a number of months the United States was virtually out of the world market because, seemingly for the first time, other countries were pressing to sell more than enough cotton for the entire immediate export demand. For the first time the sellers of foreign-grown cotton were not competing primarily with the United States but rather with one another—and the world price took a steep plunge.

The other route would be by taking the government out of its role as maker of the general price level for United States cotton. It holds this role by means of support programs which tend to set a floor for prices and of large stock holdings which tend to set a ceiling at the level where these stocks may be released upon the market. In addition the law authorizes export subsidies which cause the export price to differ from the domestic. Currently a payment-in-kind subsidy on exports is in effect.

If the government relinquished this entire function, the United States apparently would no longer serve as the world price leader because there would

be no concentration of the basic price-making power. The whole structure of the world market presumably would be radically changed. It would resemble much more closely the classical concept of many buyers and many sellers, none in a position of special dominance.

The following comments, however, will deal with the situation in which we are today, in which we have been for a long time, and in which we shall be for some indefinite future time: the situation of the price leader.

THE EFFECT UPON FOREIGN PRODUCTION

The foremost cotton-producing countries of the foreign free world read like a roster of the strategically placed nations in the struggle for progress and freedom: India, Egypt, Mexico, Brazil, Pakistan, and so on. Surely we must have careful regard for their economic stability and progress. What is their interest in the United States cotton policy?

Few kind words are ever said for it in international councils, but as a matter of fact, this policy must have served as an enormous boon to the progress of less-developed nations.

The fundamental nature of cotton prices is not too commonly understood. On the demand side, it is fundamental that cotton is an industrial raw material. Seven eighths of the retail value of the typical product is added after the fiber leaves the farm. The notion that the mills can make quick and easy shifts between cotton and rayon belongs to theory, not to fact. Such shifts do occur, but they typically require years of sustained technical and merchandising effort. In the short-run, the quantity of raw cotton consumed does fluctuate quite importantly, but the fluctuations are governed by the requirements of the spinning mills throughout the world. These requirements change as

the mills respond to the up-and-down motion of the textile cycle. On the supply side, the quantity available in any short-run period is seriously affected by changes in the weather all over the world. These short-term fluctuations in both demand and supply are not caused by the price of raw cotton, nor can small price changes bring them into equilibrium. A tendency toward wide short-term fluctuations in prices is inherent.

In today's world, important expansion in cotton production requires long-range plans and substantial investments—even, to a considerable extent, in the underdeveloped countries. More and more, any significant expansion depends on great irrigation projects. Such investments involve great risks. It seems inescapable that United States cotton policy has served effectively to remove most of the price risk involved, as well as maintaining the world price during most of the postwar period at levels which were quite attractive to the foreign producer.

Under these conditions foreign free-world production rose to 12.4 million bales in 1950–1951—approximately equaling its prewar peak—and from that point proceeded to build up rapidly to 17.5 million in 1958–1959. This is indeed a healthy rate of growth, and it takes on greater meaning from the fact that in the decade of the 1950's the main trend of United States production was forced downward by acreage restrictions.

In addition to maintaining the world price, our cotton policy has provided reasonable assurance to every foreign producer that he could market his crop virtually every year, while we ourselves absorbed the impact of fluctuations in our annual volume of exports ranging from 7.5 to 2.2 million bales. Such is the lot of the residual supplier. In absorbing the main shock of changes

in the supply and demand situation, we maintained the only important stock of surplus cotton in the world, even when our carry-over reached 14.5 million bales in August 1955.

If we have regard solely for the interests of the foreign producing nations we evidently should think long indeed before abandoning our role as the great stabilizing factor in the cotton markets of the world. I would judge that few if any forms of "foreign aid" have meant so much to the strength and progress of the weaker nations.

THE EFFECT UPON UNITED STATES EXPORTS

What, on the other hand, is in the direct national interest of the United States?

I would think, first of all, that our policy needs to be based on a deep understanding of the basic economics involved—the real nature and function of supply, of demand, and of price. This is a prime obligation of a country which holds the burden of such over-towering leadership. I refer, most emphatically, to the supply, demand, and price of this particular commodity. We cannot afford the luxury of theoretical generalizations any more than we can afford that of narrow-minded self-interest.

In the present structure of the world market, it is futile for this country to try to free itself from the handicaps of price leadership. In struggling to do so, we would batter and punish other nations far more than we would help ourselves. And we still would find it impossible to export some normal portion of our production each season, as other nations tend to do.

Our real interest calls for a longer view. Though we are obliged to play the part of the residual supplier, we can profitably direct our attention to the size of the residual. We cannot keep

this from fluctuating a great deal between one season and the next, but we surely can take rational measures aimed at protecting or expanding the average size of the residual over a period of years. The residual involved is, in simplest terms, the gap between total consumption and production of cotton in the entire foreign world. If that gap disappears, we have virtually lost our export market. If it expands, our exports are bound to expand.

Many forces determine the long-range trend of foreign consumption and production. Some of them are entirely outside the province of our national policy or of private industrial policy. Others are within the proper reach of our influence. Sales promotion has a significant bearing on the volume of cotton consumption. Techniques of industry-wide promotion which have been pioneered for the past two decades in this country are now being transported to fourteen leading foreign nations by means of Public Law 480 programs, with major contributions coming from industry groups both in this and in the foreign countries involved.

In this context it is most interesting to examine the function of price. While our role as price leader is a handicap within the time span of a single marketing season, it certainly need not be if we can project our thinking over a period of years. Over the years—and only then—the price of cotton does indeed become a major influence upon the quantity consumed and the quantity produced. Whether we like it or not, our government holds the power, through price, to influence very materially the trend of both consumption and production abroad. This great power can be used with reasonable regard for the direct interest of our own producers as well as those in foreign lands.

A basic source of optimism is the

spectacular rate of growth in foreign cotton consumption. In the whole foreign world—Communist included—cotton consumption has increased in every single year since 1943–1944. It has doubled since 1946–1947! It exceeded its prewar peak level in 1950–1951, reaching 24.6 million. From that point it has climbed upward to 36.9 million in 1958–1959, and perhaps to 38.5 million in 1959–1960. An average increase of 1.5 million bales per year!

Surely in this dynamic market situation it is not greedy for the United States producer to hope that he might maintain his export market at the same average level, or even share modestly in the market expansion. The fact is, however, that throughout the postwar period to 1955–1956, the upward trend of foreign production not only equaled but exceeded the tremendous growth in consumption, so that our residual part of this market was trending downward and our export market was headed toward extinction. In the season of 1955–1956 the government embarked on a program of substantial export subsidies. In the ensuing years foreign production has continued an upward trend, but the pace of the increase has been sharply reduced, so that the residual between foreign consumption and production has begun to show an upward tendency and the outlook for United States exports across the years has improved.

A CHANGING PRICE POLICY

In the meantime the farmer is making a real effort to move with reasonable speed toward the point where he can hold a sound place in the world market without reliance on the export subsidy. Much has been achieved in the field of education on the real market significance of the cotton price. The prices received by farmers for cotton have had a pronounced downward trend over the past decade. The old clamor for 90

per cent of parity is seldom heard today. In 1958, with urging from the cotton industry and the cotton farmer, new legislation was adopted which set the support price on a downward course. For the season beginning August 1, 1960, it has been announced that the export subsidy will be reduced from 8 to 6 cents, accompanied by an offsetting reduction of almost as much in the support price to the farmer. More of this could occur in future years. The declining prices received by the farmer are the more significant because they come in an environment of rising prices for the factors of production. Not many American cotton farmers, even in the most efficient bracket, give much evidence of prosperity today. Neither, incidentally, do many cotton farmers in other lands.

In the cost of production, the great

disadvantage of the American cotton farmer is the price of labor. In many other aspects of production, he has a competitive advantage. As progress is made in the use of machines, chemicals, and scientific techniques in replacement of labor, the hopes of this country for a real comparative advantage in cotton production become brighter. The possibilities of such progress, even to the point of sensational break-throughs in several key problem areas, are quite enormous. If, in the next decade, the technology of cotton production remains rather dormant, it is likely that our genuine economic claim upon a large place in the world cotton market will decline. If great technological progress is made, as it can be, the United States farmer probably will achieve a real comparative advantage in the true classical meaning of the term.

Wheat

By R. L. KRISTJANSON *

ABSTRACT: Internal American agricultural policies as they affect wheat have been determined far too independently of the requirements of sound foreign economic policy. Public Law 480, which was passed to dispose of surpluses, particularly wheat surpluses, has not only tended to disrupt normal commercial trade but has also, mainly because of its temporary nature, failed to be as beneficial to underdeveloped countries as it could have been. To establish a sound wheat program, it is necessary to define the quantities of wheat needed by the underdeveloped countries. Since the amount of wheat required annually for other uses of wheat is known, the determination of the underdeveloped countries' needs would establish the magnitude of adequate internal supply control measures. Maximum use of surplus wheat to foster sound economic development programs can be encouraged by changing existing legislation to allow for the collection of more adequate information concerning the quantities of surplus wheat needed in the years ahead, longer-term surplus-utilization agreements, closer co-ordination between aid in the form of surplus wheat and other financial aid, and the limitation of surplus utilization to countries in genuine need. Only when these changes are made will the wheat program in the United States fit the requirements of sound foreign economic policy.

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* The views expressed in this paper are those of the author and do not necessarily represent the views of The Canadian Wheat Board.

INTERNAL American agricultural policies as they affect wheat have been determined far too independently of the requirements of sound foreign economic policy.

Past policies of the United States Department of Agriculture have been primarily determined by the attempt to achieve two goals—efficient production of agricultural products and a distribution of income within the United States that was favorable to the agricultural sector of the economy. The techniques used to achieve these goals have been many and varied, but one of the effects of these policies has been production of wheat that consistently and increasingly outstrips the effective demand for that commodity. The magnitude of the resulting surplus is constantly brought to the attention of the American public.

As the surpluses of wheat mounted the hue and cry from the farm bloc was to dispose of these surpluses. The result was twofold—a considerable increase in the amount of money invested in attempting to find industrial uses for the surpluses and secondly, the passage of Public Law 480.

Public Law 480 was a conception that grew out of a domestic agricultural program. Its emphasis was entirely internal, and it was conceived as a temporary program to dispose of excess agricultural commodities—primarily wheat—that had proved such an annoying and embarrassing problem.

The effects of Public Law 480 on other food surplus-producing countries has been, to say the least, extremely disconcerting. Particularly during the first few years after the law was passed the effect on other food-exporting nations was to have them live in constant fear that the American colossus backed, as they saw it, by a treasury with infinite funds would step in and take over commercial markets on which the livelihood of their farmers depended.

For example, the Canadian farmers and their spokesmen were particularly concerned that the United States Department of Agriculture in its zeal to dispose of its surplus problem would barter wheat in Canada's traditional markets in Western Europe. For the Canadian wheat farmer this would mean financial ruin since the Canadian government cannot afford to subsidize to any great extent the production of a crop whose value is so large in relation to the resources of the Canadian economy.

EFFECTS ON RECIPIENT COUNTRIES

Nor was the operation of Public Law 480 entirely satisfactory from the standpoint of recipient countries. Since Public Law 480 was designed as a measure to dispose of surpluses, it has been clouded with a great deal of uncertainty as far as recipient countries were concerned. To use surpluses to their maximum benefit it is essential for the recipient country to know how much, what kinds, and for what period of time surpluses will be available. For example, if India is to use surplus wheat effectively as a partial substitute for capital in her five-year economic development plans, it is essential that the planners know the amount of wheat that will be available for several years in advance. However, since Public Law 480 was considered a temporary surplus disposal scheme by its originators and administrators, Public Law 480 agreements were mostly annual agreements with no certainty of their continuation.¹

In criticizing a program that was devised as a temporary expedient to solve

¹ Special editor's note: The United States and India have announced a sale of 16 million tons of wheat and one million tons of rice, delivery to be over four years' time, for approximately \$1,276,000,000 to be paid in rupees of which 80 per cent will be given to India as long-term loans for economic development. *New York Times*, May 4, 1960.

an embarrassing domestic problem, one may easily lose sight of its highly beneficial effects. Through the fog of bureaucratic terminology, such as Title I, Title II, Title III, soft currencies, and so on, one can nevertheless see that hungry people were able to obtain food which otherwise would have been denied to them. No economist or political scientist will ever measure the importance of this contribution, but it can hardly be denied, however critical one is of Public Law 480, that on humanitarian grounds it has been an extremely desirable program.

Since 1954 valuable experience has been gained in the administration of Public Law 480. Recognition has gradually grown that the barter feature of the program is simply a crude technique of price cutting and will have detrimental effects on American commercial sales, as well as commercial sales of friendly competing nations when this bartering is pursued in normal commercial wheat markets. Valuable knowledge has also been gained about the generation of soft currencies as a result of Title I transactions. It is now generally understood that the sale of surpluses for soft currencies and loaning these currencies to the recipient country does not constitute a double gift, but rather is a single gift of food for which the United States receives in return currencies of very limited value.

PROBLEM OF OVERPRODUCTION

One effect of attacking the wheat problem as a domestic one, and then passing legislation to dispose of the surplus, has been that the domestic program has never really grappled with the problem of overproduction. When Public Law 480 performs the function of providing a "happy dumping ground" for the agricultural program, then really effective supply control measures will not be forthcoming.

The total annual requirements* of wheat for all uses with the exception of wheat for noncommercial export requirements are quite stable and are known. The market for wheat in the United States is approximately 600 million bushels a year. The commercial export market for American wheat is approximately 150 million bushels a year.

The need then is for a program that defines the quantities of wheat that are needed for well-planned and well-organized programs of economic development in the underdeveloped countries. When this quantity is determined and projected into the years ahead and to this are added the quantities of wheat that are required for other uses, then and only then will the extent of the supply control measures for wheat production be known. Whether the supply control measures take the form of an expansion of the Soil Bank program including taking whole farms out of production as Professor Earl O. Heady of Iowa State College has suggested, or whether it is a system of supply control based on marketing quotas as Professor Willard Cochrane of the University of Minnesota has suggested, the magnitude of the needed wheat production adjustments will be established.²

² Both proposals have the same serious weakness. They ignore the political repercussions that will result from the implementation of these proposals. If Professor Heady's proposal were enacted into law and whole farms were either leased or bought on a scale large enough to solve the overproduction problem, the effects on small towns and communities in the more rural states would be devastating. Given the agricultural bias in the composition of the United States Congress the law would quickly be changed. Professor Cochrane's proposal has a similar weakness. Marketing quotas limit what a farmer can market—not what he will produce. If the marketing quotas were stringent enough to solve the overproduction problem, surpluses would accumulate on farms instead of in government storage bins. Again, given the composition of the

The amount of wheat that can be utilized effectively by the underdeveloped countries in the years ahead will depend on the type of program that is used to distribute the wheat. The maximum use will not be made of surplus wheat if the program is so administered that the underdeveloped countries receive only such wheat and only at such time as it is politically expedient within the United States to dispose of it.

POLICY CHANGES NEEDED

Some of the requirements for a sound wheat surplus utilization program would seem to be:

(1) The establishment of a division within the Foreign Agricultural Service to determine the needs of the underdeveloped countries for surplus wheat. The role of this division would be not only to determine needs within the framework of practical workable development programs, but also to project these needs for a five- to ten-year period so that agricultural policy-planners within the United States would know how much wheat would be needed for this use in the years ahead. This division would, of course, have to consult and keep in close contact with the Food and Agriculture Organization of the United Nations and representatives of other wheat surplus-producing nations. A precedent for the types of studies needed has been made by the Ford Foundation in predicting the food needs of India.³

(2) The activation of Title IV of Public Law 480 so as to allow for authorizations of surplus wheat to the underdeveloped areas for periods of five to ten years. As was indicated above,

it is essential to sound economic development planning to know the extent of the surplus wheat available for a time period long enough to provide for sound planning.

(3) The amendment of Public Law 480 to allow for integration with other forms and types of financing economic development projects. The number of international and bilateral financial arrangements seem to be increasing at a steady rate. If surplus wheat is to be used as a partial substitute for capital in development projects its availability must be contingent on the availability of complementary financial aid.

(4) The strict limitation of surplus wheat utilization on the basis of need. Rules should be established whereby countries with a per capita income above a certain level are declared to be commercial markets and hence will not receive wheat through barter or sales for local currencies. By establishing a rule such that no country with a per capita income of \$200.00 or over will receive wheat donations would have the effect of protecting American commercial markets for wheat. It would also protect the commercial markets of other wheat surplus-producing countries and assure that the United States did not create new areas of economic distress in other parts of the world in its attempt to aid underdeveloped countries.

If the changes outlined above were made, Public Law 480 would become a program that would allow for surplus wheat utilization, rather than being a dumping policy for a domestically oriented wheat program. The over-all domestic wheat program could then be fitted into a policy that was internationally oriented and one that was worthy of a country whose economic power is so great that its every move has economic and political repercussions throughout the world.

United States Congress the accumulation of surpluses on farms would not be tolerated.

³ *India's Food Crisis and the Steps to Meet It* (New Delhi: Government of India, 1959).

Sugar and Wool

By EDWARD F. RENSHAW

ABSTRACT: The production of sugar and wool in this country is encouraged by protective devices which illustrate the peculiar vulnerability of the democratic process to a well-organized, dispersed interest. In pursuing their own narrow interest both groups have unintentionally fostered competition from substitutes which could destroy large segments of their respective industries. Spectacular growth in the consumption of synthetic fibers and the development of a variety of artificial sweeteners suggest that even the most cleverly organized monopolies are threatened by technological progress. The consumer who has been taxed by the sugar and wool interests may gain more in the long run than the producers who must adjust to a kind of competition for which the best protection is no protection.

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UNDER the Jones-Costigan Act the domestic market for sugar was divided between United States and foreign producers. The principal instruments for dealing with the sugar problem under the act were:

(1) The determination each year of the quantity of sugar needed to supply the nation's requirements at prices reasonable to consumers and fair to producers; (2) the division of the United States sugar market among the domestic and foreign supplying areas by the use of quotas; (3) the allotment of these quotas among the various processors in each area; (4) the adjustment of production in each area to the established quotas; (5) the levying of a tax on the processing of sugarcane and sugar beets, the proceeds of which to be used to make payments to producers to compensate them for adjusting their production to marketing quotas and to augment their income; and (6) the equitable division of sugar returns among beet and cane processors, growers, and farm workers.¹

In 1936 the Supreme Court ruled that the tax on processors of agricultural commodities was unconstitutional when used as a device to control production. Thus, provision 5 above was supplemented by an authorization to the Secretary of Agriculture to make payments out of the federal treasury from funds appropriated for that purpose. Aside from that change, however, and the to-be-expected continuous quota revisions, the sugar control program of the 1950's is still the program of the 1930's.²

In another context this author has discussed the probable cost of the sugar program to the consumer.³ It is in the neighborhood of one to two dollars

per person per year. William Pendleton has written an excellent article in which he describes the history of "American Sugar Policy" as well as the political considerations involved in the restrictive Sugar Act of 1948, since extended.⁴

About 85 per cent of the United States output of sugar beets is grown on western irrigated farms. One of the paradoxes of government interference in the market on behalf of sugar is that an inefficient sector of our economy has inadvertently been used to justify some extremely wasteful investment in reclamation. The complementarity between sugar beet production and public investment in reclamation illustrates the well-known political-economic process by which relatively small gains to vocal and politically astute minority groups can be compounded into an exorbitant total social cost provided the cost to any individual taxpayer is sufficiently small to go unnoticed or to be hidden within a context of policy objectives that the voter automatically assumes are good for the country.⁵

The sugar program is unique in that even the foreign suppliers have a vested interest in its continuation. If the domestic industry is as unable to compete as many advocates of protection claim, the real beneficiaries from the program are foreign producers who are allowed to sell a portion of their crop in the United States at the protected price. In recent years, the price of raw sugar in the United States, less the protective tariff, has averaged two or three cents above the price prevailing in the world market. The windfall accruing to certain foreign countries, in particular Cuba, heavily dependent upon the ex-

¹ "The United States Sugar Program," *Agriculture Information Bulletin*, No. 111, United States Department of Agriculture (July 1953), p. 8.

² Willard W. Cochrane, *Farm Prices* (Minneapolis: University of Minnesota Press, 1958), p. 169.

³ "Reclamation and the American Sugar Policy," *The Western Political Quarterly*, Volume 10 (December 1957), p. 860.

⁴ William Pendleton, "American Sugar Policy," *Journal of Farm Economics*, Vol. 33 (1948), pp. 226-242.

⁵ Edward F. Renshaw, *Toward Responsible Government, An Economic Appraisal of Federal Investment in Water Resources* (Chicago: Idyia Press, 1957), pp. 17-24.

port of sugar, is a threatening weapon of diplomacy.

Congress, in recent months, has been under tremendous pressure to grant the President authority to reduce Cuba's sugar quota. Considering both the amount and the way in which capital belonging to United States citizens has been appropriated, some sort of economic retaliation is probably inevitable. The relevant question would appear to be, is a reduction of Cuba's sugar quota an optimal retaliatory instrument? The answer, it seems to me, is no.

A better device would be to freeze, say, two thirds of the two-cent-per-pound premium Cuba obtains from the sale of her quota in our protected market, with the understanding that the money will be used to compensate those individuals who have had their property seized. To keep the program above-board, payments should be based upon an independent appraisal of property values by a neutral nation.

The advantage in this approach, it seems to me, is that it can be defended on moral grounds. The economic benefits accrue to the injured parties rather than to secondary parties hoping to take advantage of an unpleasant political development.

If the more advanced countries of the world agreed among themselves to discriminate by imposing, temporarily, special tariffs against the goods of countries expropriating foreign capital—to insure just compensation in that event—much of the present reticence on the part of private interests to invest capital in politically unstable countries would disappear. Without foreign capital and the technology which comes with it, the road to economic prosperity and political maturity for the so-called “underdeveloped” countries is likely to be much longer and more apt to follow the Soviet pattern.

Considering the far-reaching reper-

cussions of any move that might be interpreted as “retaliatory” on the part of the United States, Congress ought to consider seriously the possibility of establishing a precedent which will promote economic and social stability in the free world as opposed to a reflex reaction which will only benefit a few sugar growers who have already been granted special privilege.

Wool

Wool is of particular historic interest because of its key role in American tariff policy. According to Blinken:

The wool tariffs have traditionally been at the center of American tariff battles. For all practical intents and purposes, the 1929 Smoot-Hawley tariff debates were waged about Schedule 11, that section of the tariff laws dealing with wool and wool manufactures.⁶

When the General Agreement on Tariffs and Trade, concluded by the State Department at Geneva, was released in November, 1947, the comparative calm with which it was greeted was marred only by the backwash of the wool tariff controversy. The *New York Times* reported that “there were 3,500 American products listed for tariff reduction in a State Department announcement, November 17, but the western wool growers, members of Congress, and Chamber of Commerce officials had eyes for only one—wool.”⁷

Wool production in this country is at the present time encouraged by means of a fixed tariff and a system of compensatory payments. Under the National Wool Act of 1954:

(1) An annual production of 300 million pounds of shorn wool—about one-third more than we are now producing—is to be encouraged as a measure for our national security and promotion of the general economic welfare. (2) An incentive price is

⁶ Donald M. Blinken, *Wool Tariffs and American Policy* (Washington: Public Affairs Press, 1948), p. 9.

⁷ *Ibid.*

established to encourage this larger production. (3) The price will be obtained by means of payments to growers to bring their income from wool up to the incentive level, rather than by raising prices in the free market. (4) A portion of the duties collected on imports of wool and wool manufactures is appropriated to finance the payments. (5) Section 708 of the act provides a self-help feature whereby wool growers can work together more effectively in developing and financing advertising and promotion programs to improve the demand for the industry's products and, thereby increase the prices received in the free market.⁸

The wool act is unique in that the burden of maintaining a high-level price support for United States production is shifted in effect onto the foreign producer. The dual protection afforded by the tariff and the compensatory payments has been greater in recent years than the tariff which existed prior to the 1948 Trade Agreements Act.

IMPORT FOR DOMESTIC POLICY

According to Professor Willard Cochrane a combination of circumstances is causing the cartelization of agriculture. "I am convinced that society is eventually and inevitably going to grant monopoly powers to agriculture, via government, to permit and enable the many producers in agriculture to act in concert."⁹ In *Farm Prices, Myth and Reality*,¹⁰ the main outlines of a monopolistic course of action for agriculture are again set forth; the monopolistic features, however, are cloaked in the

guise of a "public-utility approach to the price-income problems of agriculture."¹¹ Cochrane likens his comprehensive supply control program primarily to the sugar program.

While both the sugar and wool¹² programs deserve special consideration as ways of obtaining the price support end without contributing to domestic surpluses, doubt can be raised as to whether they have helped to reduce the income disparity vis-à-vis agriculture and the rest of the economy.

It does not appear that sugar producers enjoyed a more affluent position than other farmers in 1949, the most recent year for which data are available.¹³ Furthermore the data are not inconsistent with the hypothesis that the gains from the sugar program have been capitalized into land values.¹⁴ Admittedly the position of land owners is enhanced by an increase in land prices resulting from the program, but it does not follow that the young farmer just becoming established or the farmer who wants to enlarge his holdings finds himself in more advantageous circumstances by an increase in the 'cost of doing business.' Price support programs which act to inflate land values could, in the long run, aggravate more than help farmers make the kind of adjustments that are necessary in order to obtain the benefits from the new and

¹¹ *Ibid.*, p. 172.

¹² Under the National Wool Act of 1954 there has been a dramatic decline in Commodity Credit Corporation (CCC) holdings of wool. Over 180 million pounds of wool were accumulated by the CCC from the 1952, 1953, and 1954 price-support loan programs. At the beginning of the 1955 marketing year existent stocks totaled 150 million pounds. The CCC holdings were progressively liquidated under the incentive program and were no longer a depressing influence on the market by the end of 1957.

¹³ Edward F. Renshaw, "A Note on Farm Price Supports," *Modern Age*, Vol. 3 (Summer 1959), p. 271.

¹⁴ *Loc. cit.*

⁸ United States Congress, House of Representatives, Hearings before the Subcommittee on Livestock and Feed Grains, *Extend National Wool Act of 1954* (Washington: Government Printing Office, 1958), p. 17.

⁹ Willard W. Cochrane, "Agricultural Policy—Recent Changes and Future Implications," *Journal of Farm Economics* (May 1957), pp. 296-297.

¹⁰ Minneapolis: University of Minnesota Press, 1958.

better production possibilities afforded by technological progress.

FOREIGN POLICY IMPLICATIONS

Sugar and wool are two of the most perfectly organized monopolies in existence. They are widely dispersed throughout the United States and assured of continuing Congressional support. Neither commodity is significantly dependent upon net treasury outlays to maintain its price supports. In view of these factors it would be unrealistic to advocate a policy of free trade in sugar and wool regardless of the desirability of that objective.

The issue, it seems to me, is whether they should be given such a high level of protection that they become growth industries. After World War II a sizeable expansion in United States sugar production was permitted. The present program seems to be directed toward allocating a fixed historical share of the United States market to domestic producers. If population continues to increase and if synthetic sweeteners do not increase significantly in relative importance, this policy could foster the growth of an inefficient industry.

A prime objective of the National Wool Act was to increase domestic production. Increased domestic production was to be encouraged at a time when the share of the United States market supplied by foreign producers was declining.

The argument advanced for maintaining a fixed share of the market and even increasing the domestic share is couched in terms of national defense. But this argument is fallacious. The United States has never been successful at increasing the production of either sugar or wool in time of war. Past wars have simply made us more dependent than ever upon imports.¹⁵

¹⁵ Cuban sugar is produced virtually in our own back door. The logical way to provide

The most important factor to consider in connection with the defense argument is the changing concept of war itself. Strategists are now speaking in terms of short wars, even minute wars. For a war that is expected to last less than six months, it is the efficiency of the economy prior to the outbreak of hostilities that is important. Even if the war were expected to last longer, it is not certain that our aim should be self-sufficiency; shipping hazards must be balanced against the vulnerability of atomic attack. The destruction of foreign production is not likely to be given so high a priority as the destruction of United States productive capacity. In either event it would seem the height of foolishness to exhaust our own natural resources and to promote the growth of inefficient industry at home, thus weakening our allies, at a time when the cold war is clearly being fought on the economic front. If we lose the latter, we are almost certain to lose a hot war, regardless of our self-sufficiency.

A reasonable kind of protection would be directed toward maintaining a level of support that would insure domestic producers the lower of either (1) a fixed total output or (2) a fixed share of a declining domestic market. If all the so-called "developed" countries were to adopt protective policies of this kind, the world economy could be expected to adapt to a policy of free trade without severe adjustments. It is not unreasonable to believe that economic progress in the free world could be accelerated at little or no cost to vested interests by making the "right to grow" more contingent upon economic efficiency.

for our defense needs with respect to wool would be to stock pile that commodity. See: *Wool Tariffs and American Policy*, *op. cit.*, pp. 57-62.

Lessons from a Comparison of United States and Canadian Farm Policy Approaches

By DAVID L. MACFARLANE

ABSTRACT: Professor Johnson's unpublished paper entitled "Income and Resource Effects of Canadian and United States Farm Policies: A Comparison" demonstrates that the policies followed in Canada until 1958 were quite satisfactory compared to those pursued in the United States. Canadian costs have been far lower regardless of the method of measurement; changes in Canadian farm incomes over thirty or more years have been just as favorable; and Canadian resource adjustments have been by economic standards more desirable than those of the United States. The last point is particularly clear in the case of the wheat economy and in the relatively greater expansion of livestock production. The emphasis in Canadian farm policy has been on production payments, for example, feed freight assistance, prairie farm rehabilitation—a farm development program—prairie farm assistance—a crop insurance scheme—and premiums on high grade hogs. These contrast with parity payments and attempts at restriction of output in the United States. While desirable resource adjustments have been made in Canadian agriculture, returns per farm and per worker are substantially lower than those prevailing in the United States and only half those in nonagricultural occupations. Thus the challenge to farm policy is greater in Canada than in the United States, and political pressures demanding a more aggressive approach to the farm income problem become stronger each year.

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MANY analyses of the American farm programs have considered in some detail their implications to the foreign policy of the United States. Professor D. Gale Johnson's book entitled *Trade and Agriculture* is perhaps the most notable of these works. However, little comprehensive work has been devoted to detailing the comparative implications of clearly different farm policies on farm economies which have much in common.

Professor D. Gale Johnson has prepared a paper in which he undertakes such a comparison with respect to Canada and the United States.¹ While it is most unfortunate that Professor Johnson's valuable paper has not been published, the writer has permission to quote from it and generally to employ it as a point of departure for much of the present paper. Johnson's major focus is on the consequences which flow from the pursuit of divergent farm policies in these two countries. He has used many imaginative and yet unsophisticated analytical techniques in handling a most difficult subject. It may be appropriate to commence this paper by quoting several of Johnson's major findings:

On the basis of the evidence brought together in this paper, the Canadian farm policy as it operated until 1958 was a reasonably satisfactory one compared to the policy followed across the border. This conclusion rests upon the following points. . . . First, the relative cost to the government of the Canadian farm programs for price and income support (regardless of how they are measured) has been only a fraction of the cost in the United States; second, the general changes in the income of the farm population has been at least as favorable in Canada as in the United

States; third, the resource adjustments that have occurred are, in several cases, more appropriate than has been true in the United States; and fourth, the current price structure in Canada is much more consistent with the underlying demand and supply conditions than is true in the United States.

The Canadian experience in the major wheat areas indicates that it is possible to adjust resources and farming practices to a substantially lower price of wheat than prevails in the United States without a significant effect on the return to labour. In the Prairie Provinces there has been a much greater emphasis on summer fallow than in the regions across the border; there has also been a significant shift towards livestock and feed grain production as sources of income, shifts that did not occur in comparable areas in the United States.

The Canadian experience tends to cast doubt upon the "inevitability of output outrunning demand" because of the continuing advances of technology. . . . The Canadian experience supports the prediction of traditional theory of the firm and the industry that output grows in response to change and demand and factor supply conditions and does not just increase "willy nilly" in response to purely technological considerations. It is certainly true that technical conditions in production have a great deal to do with relative product prices. And if relative product prices fall because of resource economies output would surely be larger than it would in the absence of the economies, but this is very different than saying that the increased output is caused by changes in techniques.

Finally, the Canadian and the United States experiences taken together indicate that the factor supply adjustments that have occurred, especially in the labor market, have been sufficient to result in some long run improvement in the relative income position of farm workers and a very substantial improvement in the real income position as conventionally measured. The rise in real incomes has not been due to improvement in the relative prices in farm products; if anything relative farm prod-

¹ "Income and Resource Effects of Canadian and United States Farm Policies: A Comparison," University of Chicago Office of Agricultural Economics Research, Paper 5912 (April 6th, 1959).

uct* prices have fallen over the past three decades. The improvement has been due to the significant increase in the marginal physical product of labour which, in turn, resulted from technological change, general improvements in resource efficiency and a

substantial reduction in labour employment, both absolutely and relatively to all other outputs. There is no reason to believe that the general improvements in technology and productive efficiency will not continue; consequently further in-

TABLE 1—GOVERNMENTAL COSTS OF PRICE AND INCOME SUPPORT PROGRAMS,
CANADA AND UNITED STATES, 1948-1949-1956-1957^a

COUNTRY AND PROGRAM	PERIOD	
	1948-1949 1956-1957	1952-1953 1956-1957
Canada	(millions of dollars)	
Agricultural Prices Support Act	92.8	83.9
Agric. Prod. Co-op Mktng Act	7.4	5.4
Cheese and Cheese Factory Imp. Act	6.5	3.1
Prairie Farm Assistance Act	33.9	9.6
Prairie Farm Rehabilitation Act	32.3	19.8
Hog Premiums	49.1	29.3
Replacement of Maple Sap Buckets	2.3	0.8
Lime	4.2	2.4
Freight Assistance on Western Grains	155.5	88.6
Wheat Grant	65.0	
Apples—Postwar Industry Assistance	5.7	
Other	3.0	0.3
Total	457.7	242.9
United States		
Commodity Credit Programs	5,786	4,263
National Wool Act	125	125
International Wheat Agreement	811	420
Donations of Commodities to other Nations	384	384
Commodities sold for foreign currencies	931	931
Removal of Surplus Commodities	925	669
Sugar Act	159	93
Federal Crop Insurance	75	52
Soil Bank	519	519
Agricultural Conservation Payments	2,006	1,069*
Other ^b	254	191
Total	11,975	8,711

* Estimate of 200 million dollars for last two years.

^a The Canadian data are from Marjorie R. Cameron, *Federal Agricultural Assistance Programs Canada, 1945-56*, Economic Division, Marketing Service, Canada Department of Agriculture, Ottawa, February, 1957, Table I, and *Current Agricultural Assistance Programs, Canada Department of Agriculture*, June, 1957, Ottawa, July 1957, Table 2.

^b The United States data are from F. D. Stocker, *Governmental Cost in Agriculture*, Agriculture Research Service, United States Department of Agriculture, May, 1956, Table 2, and testimony by Secretary Ezra Taft Benson in *Farm Program*, Hearings before the Committee on Agriculture and Forestry, United States Senate, 85th Congress, 2nd Session, January 17-22, 1958, following p. 42.

N.B. The currency units are those of the respective countries.

creases in the real income of the farm workers will depend upon further reductions in the farm labour force.

CANADIAN FARM POLICY

It is appropriate at this point to examine briefly the Canadian farm industry and Canadian farm policy which have drawn more than mild praise from Professor Johnson. Until 1958, Canadian farm policy is clearly characterized by restraint with respect to the use of subsidies from the public treasury and the total absence of direct production controls. Professor Johnson's very useful summary of the types of payments from the federal treasury used in support of the farm industry in Canada and in the United States is reproduced in Table 1. The restraint shown by the Canadian government in supporting agriculture becomes more evident if an adjustment of the data in Table 1 is made, removing the influence of purely emergency programs with which any government would have to deal whether or not it had an agricultural policy. These adjustments include (1) the cost incurred by the outbreak of the foot-and-mouth disease, included in price supports and totaling 70 million dollars; (2) the payment of 65 million dollars to wheat farmers to compensate them for a five-year wheat contract with the United Kingdom that was not concluded by the Canadian government because of either misunderstanding or bad faith; and (3) the cost of butter price support during the period following the legalization of margarine in 1949—production and sale had been illegal for nearly sixty years—amounting to approximately 10 million dollars. This adjustment reduces the eight-year total of farm program cost to 312.7 million dollars or an average of less than 40 million dollars per year. The adjusted costs of federal farm programs distributed over the eight-year period averaged

2 per cent of gross farm income and 3.5 per cent of net farm income.

It is further evident that a very large proportion of government payments to Canadian farmers, after considering the adjustments indicated in the previous paragraph, were primarily intended to be production payments, for example, feed freight assistance, prairie farm rehabilitation—a farm development program—prairie farm assistance—a crop insurance scheme—and premiums on high grade hogs. Thus price support and other programs for the purpose of influencing farm prices have been of negligible importance.

PRICE SUPPORT LEGISLATION

But this policy ended in the fiscal year 1957–1958—the last year in Johnson's table. In that year a new government passed price support legislation which was much more comprehensive, making support mandatory for nine products at a level of at least 80 per cent of the average price of the previous ten years. The following year, the government began to subsidize milk for manufacturing purposes on the basis of 25 cents per hundred gallons. The new supports were carried out, for more than a year, by a purchase program which placed in government hands embarrassingly large supplies of pork, dairy products, and eggs. Losses by the new Agricultural Stabilization Board, largely on the products noted, amounted to about 58 million dollars in fiscal year 1959–1960. These losses as well as the difficulty of trying to sell, dump, or give away surpluses resulted in deficiency payments for hogs and eggs. Ostensibly for the purpose of combating vertical integration, the deficiency payments apply only to one hundred hogs and 4,000 dozen eggs per farm per year. Though this plan was in operation for only a few months at the time of this writing, it is realizing its avowed pur-

pose of restricting production. Both because of its discriminatory aspect and because the major farm organizations advised against deficiency payments, the present program is under vigorous attack. Major Canadian farm organizations have generally been statesman-like and have suggested supports at a level which would provide no incentive to increased production. At the same time, in consideration of the grave difficulties involved in marketing, they have pressed vigorously for direct payments on wheat. Stringent quotas are applied to farm deliveries. These have typically been low because exports have lagged in the face of United States non-commercial wheat exports.

CANADIAN WHEAT FARMERS

One other aspect of Canadian farm policy should be noted. It lies in the role of the Canadian Wheat Board which is a monopoly marketing agency for wheat, oats, and barley. The Board pays an initial delivery price, which operates as a floor price on these grains, and makes further payments as the crops are marketed. The support on "No. 3 Northern," an average grade, has for some years been \$1.32 basis "Ft. William" or generally about \$1.10 to \$1.15 at farm level. The farm price of wheat has averaged \$1.25 to \$1.30 in recent years compared to an average farm price close to \$2.00 in the United States. The general position of the Canadian wheat grower is that he could compete fully with the United States producer, but can scarcely be expected to contend with the United States Treasury.

As Johnson correctly points out, Canadian wheat farmers have made substantial adjustments to the low price of wheat and to the more buoyant prices for livestock and livestock products. He cites that in the 1926-1929 period almost 70 per cent of the cash receipts

of farmers in the Prairie Provinces were from wheat and that by 1953-1957 the proportion had fallen to 44 per cent. In the two-year period 1958 to 1959, it fell further to 37.3 per cent. In contrast to this drastic remaking of Canadian Prairie agriculture Montana and North Dakota show no reduction in dependence upon wheat. Johnson makes the point that total farm output in the United States has expanded somewhat faster than that of Canada. And he could have added that this occurred in the face of a faster rate of growth of Canadian population.

RESOURCE ADJUSTMENTS

Johnson stresses as consequences flowing from Canadian agricultural policy the extent to which farmers have made adjustments in resources used—and they have been very substantial. The most important of these relates to the labor force in Canadian agriculture which has declined from 1,200,000 in 1941 to 748,000 in 1958. This is a somewhat greater reduction than the United States has experienced. Comparative adjustments in other production factors are indicated in the following tabulation which shows percentage change in capital invested in real estate, machinery, and livestock from 1941 to 1958:

PER CENT CHANGE IN AGRICULTURAL INVESTMENT, 1941-1958

Resource	Canada	United States
Real Estate	127	231
Machinery	265	389
Livestock	202	168

While many limitations attach to the use of these data they suggest that a smaller increase in the use of machinery and a greater increase in livestock investment have been associated with the very modest Canadian farm programs.

This would be expected in terms of Johnson's analysis since American farm programs have aided crops more than livestock while the generally "free" market in Canada has had the opposite result. The larger comparative increase in real estate values in Canada is probably due to the unduly low levels during the depression period which in the case of Canada extended at least through 1941.

THE LESSONS

What lessons emerge from this comparison of Canadian and American farm policy? First it is necessary to make unmistakably clear the fact that while desirable resource adjustments have proceeded more quickly in Canada, they have not been accompanied by any improvement in income. Apparently most of the benefits of these adjustments were quickly transferred to consumers. Johnson points out that over a thirty to thirty-five year period real returns per worker in the two countries have increased to the same extent. However,

in either absolute terms or compared with returns to workers in other industries earnings of farmers are deplorably low. And in Canada, they are not only about 20 per cent less than in the United States, but farmers in the latter country apparently have considerably higher earnings than nonfarm sources.

Thus the challenge to farm policy remains. With aggressive and expensive programs the United States has failed to meet the generally accepted income criteria of farm policy; without them Canada has also failed. And while the atmosphere for constructive adjustment is more propitious in Canada no resolution of the farm income problem is in sight—and barring substantial redirection of policy Canadian farmers seem assured of at least another decade on the tortuous path through the economic "meat grinder." A redirection may of political necessity come in the form of relatively large direct payments and/or an expansion of production payments. That such benefits would be retained in agriculture is uncertain.

Toward Better Use of Human Resources in Agriculture*

By JAMES G. MADDOX

ABSTRACT: During the last twenty years this country has seen the sharpest decrease in farm population in our history. However, American agriculture is still overstaffed. What can be done to alleviate this oversupply of labor in agriculture? Public action in several areas will be needed. A more rapid growth of the total economy would attract substantial numbers of people out of agriculture. Educational opportunities for rural people in primary and secondary schools should be enlarged and reoriented to provide better training for nonfarm occupations. Farm people should be aided in analyzing and evaluating nonfarm employment opportunities of various types. Likewise, they should be provided with more adequate information pertaining to nonfarm jobs, and a loan program to enable farm boys and girls to obtain specialized training for nonfarm work would be helpful. In many areas of chronic rural poverty the needed redevelopment programs should aim at: creating nonfarm jobs in these areas through industrialization; assisting some people to move out of the areas; and providing liberal credit and farm planning assistance for those who remain in agriculture. The results of public programs of these kinds would be an increase in the efficiency of the national economy and improved incomes for the farm as well as nonfarm population.

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* The views expressed in this paper are those of the author and do not necessarily correspond to the official views of the School of Agriculture of North Carolina State College.

APPROXIMATELY 21.2 million people were living on farms in the United States in the spring of 1959. This was the smallest farm population reported since data first became available in 1910. It was 15.5 per cent below the 25.1 million people who lived on farms in 1950. Since 1940 there has been a net decline of 9.3 million farm people, which must have been the sharpest decrease in any twenty-year period in the history of the country.

Nevertheless, there is evidence that American agriculture is still overstaffed. The federal government is spending large sums to support the prices of several farm products. It also maintains complex programs of acreage control. Yet, surpluses continue to mount; the purchasing power of farm commodity prices declines; and much of the labor employed in farming earns less than many nonfarm workers in fairly comparable types of employment. These considerations alone point to the conclusion that too many people are trying to make a living by farming.

But this is only a part of the picture. The natural rate of population increase is much higher than is necessary to maintain a stable farm population. At the same time, a technological and organizational revolution is sweeping through agriculture and rapidly decreasing the labor required to produce a given output. Fewer farm people would be employed in the future than in the past, even if there were no price and surplus problems. Clearly, if equal returns to comparable kinds of farm and nonfarm labor are to be achieved—a condition which would both increase the efficiency of the national economy and improve the income position of agriculture—many people now employed in farming, as well as those who are coming into the farm labor force each year from the natural rate of population

growth, must shift to other occupations.

OVERSUPPLY OF LABOR

How great is the oversupply of labor in agriculture? How many people would have to leave farming during the next decade in order to bring the earnings of labor in agriculture to a level comparable to those in nonfarm occupations? On the basis of existing knowledge about the way in which the total supply of agricultural products responds to changes in prices and costs and the extent to which capital can economically be substituted for labor, an accurate answer to these questions is virtually impossible. An annual net migration of one to one and one-quarter million people out of agriculture, for the next ten years, could probably take place with relatively little effect on total farm output. A shift of this magnitude would drain off the net natural increase in farm population as well as an additional 900,000 to 1,000,000 farm people per year. Though such a rate of change might have little effect on total farm output, it would result in a significant rise in per capita farm income.

Income comparisons

Comparisons between the average annual returns to farm labor and the yearly wages of employed factory workers or the average per capita net incomes of the farm and nonfarm populations indicate that farm people earn only about one half as much as those employed in nonfarm occupations. There are, however, numerous difficulties in such comparisons. First, there are differences in the age, sex, education, and experience of the farm labor force compared to nonfarm workers. Second, the purchasing power of a given income in urban areas is probably lower than on farms. The magnitude of these differ-

ences is not accurately known. However, per capita farm incomes which are 65 to 70 per cent of per capita nonfarm incomes may result in farm labor receiving about the same real returns as nonfarm labor of equivalent ability.¹ Even so, average per capita net farm income would need to increase substantially above the levels of recent years, if labor of comparable ability is to receive approximately the same return in farming as in nonfarm occupations.

However, there are wide variations in the incomes of farm people. Income data pertaining to national averages are of limited value. The Census of Agriculture shows that about 62 per cent of all farms in the United States in 1954 produced approximately 91 per cent of the total value of agricultural products, while the remaining 38 per cent produced only about 9 per cent of the value of farm output. The former group, which we call "high production farms," had gross sales of \$2,500 or more per farm in 1954. The latter group, designated as "low production farms," had gross sales of less than \$2,500 per farm.

A study covering the period 1947 through 1956 indicates that the average family income, from both farm and nonfarm sources, on high production farms was higher than the average income for nonfarm families from 1947 through 1952 and ranged from 79 to 89 per cent of nonfarm family income from 1953 through 1956. In contrast, the families on low production farms had average incomes from both farm and nonfarm sources which ranged from 42 to 51 per cent of the average incomes of nonfarm families during the decade from 1947 through 1956.²

¹ See "Labor Mobility and Agricultural Adjustment," by D. Gale Johnson, *Agricultural Adjustment Problems in a Growing Economy* (Iowa State College Press, Ames, 1958).

² See "The Current Income Position of Commercial Farms," by Nathan M. Koffsky

Although the earnings of high production farms have probably worsened since 1956, the major problem of low returns to agricultural labor is certainly centered on the low production units—which numbered approximately 1,800,000 farms, not including residential and institutional units, in the United States in 1954. The number has probably decreased since that time, and the migration of young people from such farms has been heavy. Consequently, it is hazardous to guess the number of people who presently reside on low production farms. However, it is likely to be in the range of 5 to 7 million.

Approximately 48 per cent of the low production farms in 1954 were in the ten states of Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Arkansas, and Oklahoma. The South is the center of the most serious low-income problem in American agriculture. In this region, farms are small, capital is scarce, the natural rate of population increase is high, there are relatively few nonfarm jobs, and those which are available are most commonly in low-wage occupations. If equality of returns among farm and nonfarm workers of comparable abilities is to be achieved, occupational shifts must be far greater in the South than in any other major region of the country.

POSSIBLE PUBLIC ACTION

Public action will be needed in the years ahead to stimulate the growth of nonfarm jobs and to assist farm people to shift into nonfarm occupations. A rapidly growing economy requires a high degree of geographic and occupa-

and Ernest W. Grove, *Policy for Commercial Agriculture*, Joint Economic Committee (Washington, D. C.: United States Government Printing Office, November 22, 1957).

tional mobility among members of the labor force. Public policy may need to give attention to this problem in several sectors of the economy, but agriculture is the major sector, at the present time, in which greater occupational mobility would increase national efficiency significantly. The following types of public action are in order:

First, the rate of economic growth in the total economy should be raised.

Second, the abilities of farm people to become productive workers in nonfarm occupations should be enhanced.

Third, farm people should be given more assistance than they now receive in analyzing and evaluating their future prospects in various types of employment.

Fourth, farm people should be supplied with more adequate information respecting nonfarm employment opportunities than they now receive.

Fifth, a specialized loan program to aid selected farmers and maturing farm youths to shift out of agriculture should be inaugurated in those states where low incomes, high rates of population increase, and limited opportunities in agriculture are prevalent.

Sixth, there are numerous "special areas" in which a complex of integrated activities aimed at developing nonfarm jobs and reorganizing existing farm units should be undertaken.

Increase in GNP

The average rate of increase in gross national product for the total economy might well be raised to around 4 or 4.5 per cent annually. There are both many difficulties in and many justifications for such a course of action. It would be important in assuring a sufficient demand for labor in nonfarm occupations to attract substantial numbers of people out of agriculture. To achieve such an objective will require monetary, fiscal, and price stabilization policies which are far afield from the subject of this paper. The remainder of the

discussion, therefore, centers attention on the other areas of public action suggested above.

Enlarged educational opportunities

The second of these—programs to enhance the abilities of farm people to become productive workers in nonfarm occupations—would involve enlarging the educational opportunities of the rural population. It is probably the single most important step that government can take in bringing about a better allocation of labor in the economy. The main lines of emphasis of an expanded educational effort for rural people should be: (1) to provide improvements in the general quality of instruction in elementary and secondary schools in rural areas; (2) to provide a sequence of vocational courses in the existing rural high schools both for youngsters and for adults, which are aimed at fitting farm people for nonfarm jobs; and (3) to provide for an expanded number of specialized vocational schools in rural areas, which are organized and operated for the purpose of preparing rural people for nonfarm types of employment.

The responsibilities for implementing these improvements in rural education should be borne mainly by state and local agencies which administer our system of primary and secondary schools. In order to provide the necessary authority and funds, however, important legislative action will be necessary. Moreover, there is little reason to believe that the task can be accomplished on the scale which is needed without substantial utilization of federal funds. Space is much too limited to permit an adequate exploration of this problem. Pertinent light is thrown on it, however, by the following data for 1955-1956.³

³ *Statistical Summary of Education: 1955-1956*, Office of Education, United States Department of Health, Education, and Welfare.

	EXPENDITURES PER PUPIL IN AVERAGE DAILY ATTENDANCE IN PUBLIC, ELE- MENTARY AND SECONDARY SCHOOLS	EXPENDITURES FOR ELEMEN- TARY AND SECONDARY SCHOOLS AS A PER CENT OF PERSONAL INCOME
United States	\$388	3.57
Kentucky	179	2.56
Tennessee	229	3.59
North Carolina	242	4.07
South Carolina	292	5.44
Georgia	222	3.39
Alabama	206	3.62
Mississippi	171	3.94
Arkansas	197	3.71
Louisiana	358	4.81
Oklahoma	331	4.49
Average for 10 southern states	244	3.91
Average for 38 other states	435	3.53

In most southern states, where the need for education is greatest and where educational expenditures per pupil are lowest, a higher percentage of personal income is devoted to education than in other regions. With only two exceptions—Kentucky and Georgia—the ten southern states listed above made a greater effort in 1955–1956, relative to the incomes of their citizens, to educate their children than was true of most nonsouthern states. For instance, in Mississippi, the state with the lowest expenditure per pupil, 3.94 per cent of personal income was used for elementary and secondary education in 1955–1956, compared with 3.44 per cent in New York, the state with the highest expenditure per pupil.⁴ This contrast epitomizes an important aspect of the educational problem in the United States. If rural education is to be improved significantly in the states where the need is greatest, federal aid will be essential.

⁴ The expenditure per pupil in average daily attendance in public, elementary and secondary schools in New York in 1955–1956 was \$584.

Some changes in rural education, however, are not wholly dependent on a new program of federal aid. There are opportunities to make adjustments in the uses for which present funds have been allocated. For instance, there appears to be little justification for a continuation, at the present scale, of vocational agricultural training in rural high schools. Most future graduates of agricultural high school courses will not enter directly into modern, commercialized farming. The aims and methods of the present system of vocational agricultural training should be shifted to give greater emphasis to training youngsters for nonfarm jobs.

Career counseling

The third suggested area of public action—greater assistance to farm people in analyzing and evaluating alternative employment opportunities—should become the responsibility of the Agricultural Extension Service. Research may often be needed on which to base such educational effort. The important aim would be to teach farm people, particularly young people, how to think through the problem of choosing a career. One would be rash to imply that there is only one solution to the problem for each individual or that an optimum solution can always be achieved. In this respect, however, the problem is similar to numerous others, about which farmers are often given educational assistance by the Extension Service. The need is for a continuing program, in which the focus of emphasis is on teaching farm people how to analyze their future prospects in various types of occupations. The intensity of effort should vary by regions, but there is hardly an agricultural area in the United States in which farm people could not be benefited by an educational effort of this type.

Nonfarm employment

The fourth area of needed public action—providing to farm people more adequate information with respect to nonfarm employment opportunities—appears to call for a revitalization of the United States Employment Service and its affiliated state agencies. As this organization now functions, it does not appear to be serving farm people in an adequate manner. In many areas of the South, where farm incomes are low and farming opportunities are scant, there is a noticeable paucity of information about job opportunities in the urban areas of the North and East. For the Employment Service to serve the best interests of farm people in low-income areas, a specialized program may be necessary. Because there are often local antipathies toward a decrease in the number of farm workers, federalizing the Employment Service's functions should be carefully considered.

Loan programs

The South and a few other scattered areas have such a high ratio of rural population to capital and land resources, such a high natural rate of population increase, such a deficiency of nonfarm job opportunities, and such a plethora of low-income farm people that a special loan program to enable maturing farm boys and girls to obtain apprenticeship training or to attend specialized vocational schools or colleges should be inaugurated. It could be administered by the Farmers Home Administration without involving the establishment of a new agency. Legislative authority and an increase in appropriations would probably be necessary.

Such features as the eligibility requirements of borrowers, the maximum size of loan, the length of the repayment

period, the type of security, and the interest rate should be established by the lending agency. Loans of this type would probably range from \$200 to \$2,500 and would be repayable in monthly installments after the borrower had finished his or her period of training. They would be analogous to loans which many colleges now make to selected students. In most cases, however, they would be made to rural youths who are interested in taking a specialized vocational course which would range from only a few months to perhaps as long as two years. Ten million dollars per year for loans of this type, over a ten-year period, would be of inestimable value to thousands of farm boys and girls.

Redevelopment programs

In various regions of the country, but particularly in the South, there are numerous areas of chronic rural poverty, which are in need of specialized redevelopment programs.⁵ Many of these areas are heavily populated, lacking in natural resources, culturally isolated from the main stream of economic development, and poorly supplied with roads, schools, and other community facilities. Within recent years many young people have migrated out of such areas, but farm enlargement is taking place slowly and industrial growth appears to be centered mainly around the larger cities. As a result, many of the areas of chronic rural poverty are in great need of new capital and new entrepreneurship.

Integrated programs of redevelopment which provide liberal amounts of credit and farm planning assistance to those who remain in agriculture so that they can enlarge and improve their

⁵ For a delineation of such areas see: *Development of Agriculture's Human Resources*, United States Department of Agriculture (April 1955).

farms, which provide vocational training for those whose only opportunities are in nonfarm occupations, and which encourage the growth of industry and service trades in these areas are sorely needed. Opportunities and potentialities vary greatly from area to area. The first major step, therefore, should be to conduct an economic study of each area which would culminate in recommendations for action programs. The financing and co-ordination of such a series of studies will require federal action, though much of the work might be done through contracts with Agricultural Experiment Stations. Subsequently, a series of Special Area Development Authorities may be needed to carry forward the recommended programs of redevelopment.

The six areas of public action which have been suggested in the preceding paragraphs involve a combination of federal and state action. Those which are educational or informational in content should be national in scope and should become continuing functions of government. The educational loan program and the special-area redevelopment activities should be limited mainly to the South and a few other relatively small areas where the low production farm problem is most serious. If this combination of programs were pursued with vigor and imagination for the decade ahead, it would greatly increase the efficiency of the national economy and improve the incomes of the people who leave agriculture, as well as those who remain in farming.

The Executive and Farm Policy

By JOSEPH S. DAVIS

ABSTRACT: The national interest requires a reversal of the costly drift of farm policy in the area involving price supports, production controls, and surplus stocks and disposals. There is a dangerous trend toward continuing rise in surplus stocks, of wheat and corn especially, in spite of heavy exports under subsidy and special programs. Disagreements between the Executive and the Congress have prevented or seriously delayed desirable legislative changes, and fear of the farm vote has hampered more far-reaching proposals. In arriving at decisions on farm policy the Executive operates under handicaps arising from tradition, politics, and intrenched ideas, practices, and vested interests. Needful changes therefore require wide support based on clearer and broader public understanding. There is urgent need for fresh penetrating reappraisals—from the viewpoint of the nation as a whole—of the real farm situation in perspective, of the farm programs and their impacts, and of goals appropriate to changed agricultural conditions. Materials for such reappraisals are abundant, but the task calls for vigorous new efforts within and outside the government. A specially constituted interagency committee might perform this service, but this could advantageously be paralleled by a nongovernmental undertaking reinforced by individual efforts.

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I HAVE been asked to grapple with the question: How can policy-making in the Office of the President and the United States Department of Agriculture be improved in order to produce a farm policy adjusted in accordance with the requirements of sound economic foreign policy?¹ To this baffling question no one can give a thoroughly competent and satisfying answer, if indeed there be one. I am not presumptuous enough to promise one. I shall offer a few leads, but with little confidence that they will prove of value.

SCOPE OF THE DISCUSSION

At the outset, let us limit the topic. In various parts of farm policy the current programs are well established, working reasonably well, and more or less readily modified as conditions change. Several others are open to criticism, and some of these are resistant to fundamental change, but their defects have relatively minor impacts on the economy, the federal budget, and international relations. By contrast, the programs involving price supports, acreage allotments, surplus concentration, and surplus disposal are highly controversial and widely recognized as, for the most part, costly failures in spite of some useful by-products. Yet the President and the Congress have repeatedly been unable to agree on needed modifications, and various compromises have been sadly disappointing. The present mongrel program is neither Presidential nor Congressional. The President's Special Assistant on economic affairs

rightly said late in 1959: "The farm price-support and production-control legislation now on the statute books does *not* represent the Administration's farm policy. . . . Clearly the public will not tolerate indefinitely the heavy cost and the growing stocks which result. . . ."²

In concentrating upon this crucial area, I shall ignore areas of lesser importance which also seem to defy significant improvement. Examples are the highly protectionist tariffs, import quotas, and regulations affecting a great variety of competing agricultural imports. These are not in harmony with our avowed general policy in international trade. Yet I see no prospect that they can be dealt with until the more glaring defects can be at least partially overcome.

ABUNDANCE AND SUPERABUNDANCE

"Sustained abundance" was officially proclaimed, by Secretary of Agriculture Clinton Anderson in 1947, as a prime objective of postwar farm policy. With rapidly advancing technology and long delayed reduction in wartime price supports, this goal was quickly over-attained. Varied and protracted attempts at production control have largely failed, and persisting superabundance now threatens to become permanent. Yet for wheat and corn, in particular, price supports are at levels that generate surpluses faster than they can be disposed of by all sorts of devices, at home and abroad. Losses on surplus disposal, costs of carrying surplus stocks, and other costs involved in the miscalled "stabilization of farm prices and income," impose heavy burdens on the hard-pressed federal Treasury. These constitute a large proportion of the Department of Agriculture

¹ Such a reconciliation of farm and foreign policies was seriously sought in 1953-1954, by the Commission on Foreign Economic Policy chaired by Clarence B. Randall. Unfortunately the Randall Commission was unable to come to effective agreement in this area. See Commission on Foreign Economic Policy, "Report to the President and the Congress" (January 1954); "Minority Report" (January 1954); and Staff Papers . . . (February 1954).

² Don Paarlberg, "In Support of the Administration's Farm Policy," *Journal of Farm Economics*, Vol. 42 (May 1960), pp. 401-412.

budget, which nowadays totals about 40 per cent as much as estimated net farm income from farming.³

Virtually no one endorses or supports this "program" in its present form, and farmers generally evince extreme dissatisfaction with it. Yet it has been highly resistant even to minor improvements and politically invulnerable to drastic revision. The President has exercised his veto repeatedly to prevent its worsening, but the Congress has repeatedly thwarted his efforts to revise it substantially, and the forced compromises—such as the Soil Bank and the latest corn program—have had unhappy consequences. Thus the nation continues in the grip of a badly working, indefensible system. This extremely costly failure reflects on all of us. Somehow the impasse must be broken.

EXECUTIVE POLICY-MAKING

In considering changes in farm policy the Executive labors under several handicaps arising from tradition, politics, inertia, and so on.

The President, rarely well versed in agricultural affairs, typically relies heavily on his Secretary of Agriculture, whose huge agency is traditionally viewed as "The Farmers' Department." All too limited contributions are made by other agencies that are deeply concerned in present-day agricultural policy, notably the Bureau of the Budget and the State and Treasury Departments.

Competition for the "farm vote" has led, as in 1948 and 1952, to pre-election legislation which obstructs needed program changes. Key statements and commitments made to win farmer votes

³ "Economic Report of the President" (January 1960), p. 212, and Bureau of the Budget, "1961 Federal Budget in Brief" (January 1960), p. 26.

in political campaigns exert grave influence on proposals that may seem desirable or undesirable with fuller knowledge—a special handicap for a newly elected President. Political acceptability of possible changes carries heavy weight in policy decisions, and fear of committing "political suicide" hampers courageous moves.

Further obstacles lie in deeply entrenched concepts, formulas, and practices, such as the artificial "parity" idea and the un-American nonrecourse loan, and in the vested interests that have been built up, as in the huge volume of storage for wheat, corn, and cotton surpluses.

It requires extraordinary courage for the President and Secretary of Agriculture to admit failure when a given policy had been urged as a highly promising change and to avoid unwarranted optimism over an improvement in farmers' income, agricultural exports, or surplus stocks, even when this is due to transitory factors or to heavy drafts on the federal Treasury.⁴ Yet this sort of courage is necessary if policy is to be advantageously reoriented. Ways must be found to render it easier for such courage to be displayed.

Despite the unwholesome drift in this phase of our farm policy, some signs of progress can be noted. The President's agricultural messages and Economic Reports have come to display somewhat more realism and candor and have shown less tendency to over-

⁴ Boris C. Swerling, "The Farm Policy Debate: Discussion," *Food Research Institute Studies*, Vol. 1 (Stanford University, February 1960), pp. 100-103.

Secretary Ezra T. Benson referred last April to "outstanding progress in recent years in restoring American agriculture's position in the world market." But his base for comparison was the exceptionally poor export year 1952-1953, and he failed to mention that most of our "dollar sales" abroad are heavily subsidized.

promise. The overambitiously labeled "Food for Peace Program" is important because it provides for serious international consultations in connection with surplus disposals overseas, initially for wheat.⁵ The Rural Development Program has made a beginning in the attack on the special problems of low-income rural areas. Other examples could be cited.

NEED FOR REAPPRAISALS

Hope for significant improvement in the controversial farm program must rest on much clearer and far broader public understanding of the real farm situation. On this basis income taxpayers, housewives, and other nonfarm groups concerned, as well as the press, would be justified in taking strong positions on farm policy issues. Moreover, farmers of many types and levels could be helped to look beyond their immediate personal interests and ask themselves whether the demands, hitherto made in their name, and the special privileges accorded to many of them, are justified by results and fair to the nation.⁶

There is urgent need for penetrating reappraisals—from the viewpoint of the nation as a whole—of the agricultural situation, farm policy objectives, each of the major programs, the defects that call for correction, the political obstacles

to wise policy changes, and the merits and demerits of proposed changes. There is special need for succinct summaries not only of the points on which wide agreement exists but also of the issues on which there is still serious disagreement. Despite enormous efforts made in many quarters and a growing mass of articles, reports, hearings, and studies, we still lack a realistic presentation of farm problems combined with candid critiques of farm programs in operation. And Swerling was right in saying in his discussion of Paarlberg's recent paper: "Little progress has been made toward formulating attainable goals appropriate to present-day farm conditions."⁷

The need for realistic reappraisals is even greater because politics so thoroughly bedevils farm policy. Biennial election campaigns and debates in both Houses of Congress give rise to distortions of facts and loss of perspective, as well as to unwise commitments on the part of newly elected or re-elected representatives and the President. The 1960 political campaign may provide fresh illustrations.

Many attempts to do something of this sort have contributed valuable materials toward the desired product, but none provides the model for a fresh appraisal now. It might best be undertaken both at the government level and as a private project.

There is hardly any other area of national policy in which the informational basis is so nearly adequate. This is due chiefly to the enormous research and multifarious publications of the Department of Agriculture and the state agricultural colleges, experiment stations, and extension services, many independent individuals and groups, and committees of the Congress. Yet there are few areas in which the failure to

⁵ See my paper, "Food for Peace," in *Food Research Institute Studies*, Vol. 1 (May 1960).

⁶ The declining weight of the total farm vote and the diversity of interests among farmers are seldom given enough attention. I strongly suspect that improved analysis would show that common impressions of what farm voters conceive to be in their interests are seriously in error, and that hard-headed farmers would welcome forthright presentations which included hard facts realistically faced. The American Farm Bureau Federation holds this view, and endeavors to act upon it.

⁷ Swerling, *op. cit.*, p. 100.

grapple effectively with obstinate policy issues has been so serious and protracted.

Such analyses and appraisals should greatly facilitate formulations of proposals for policy changes and for marshaling arguments in their support.

HOW APPRAISALS MIGHT BE MADE

I do not consider altogether happy the outcome of several cabinet committees, a few mixed commissions, and several Presidentially appointed committees or commissions. Accordingly I should not propose one of this kind for the task in question.

The National Agricultural Advisory Commission, heavily weighted with farmers, has met with Department of Agriculture officials for two days in each quarter and served some useful purposes. But the Commission has not justified the hopes that were held at its establishment in 1953, and I see no prospect that it could make the urgently needed reappraisal.

Nor can the task be wisely entrusted to the Department of Agriculture. Its permanent technical staff is numerous and competent, but its members are understandably cautious in dealing with matters involving criticisms of Congressional and Administrative actions and pronouncements.⁸ At the policy level there are only a few overworked persons who must necessarily work under the Secretary, who has positions to defend before Congressional committees and farmer organizations. The experience, grasp of subject matter, and ideas of all these need to be drawn upon, and drafts on specific topics could be pre-

pared by some of them, but it would be too much to expect from the Department the kind of definitive appraisals, from a national standpoint, that are most needed.

An effective interagency task force or committee might be able to undertake the job. This could be composed of selected policy-level representatives of the Departments of Agriculture, Commerce, State, and Treasury, the Bureau of the Budget, and the Council of Economic Advisers. This group could be charged with preparing, in the perspective of the whole problem, a series of reports in which the national interest would be stressed. Drafts of these could be studied and discussed in the several agencies and then be considered by the National Agricultural Advisory Commission, the Council on Foreign Economic Policy, and the Interagency Committee on Agricultural Surplus Disposal.

Such a task should not be conceived as a "quickie," though pressure should be exerted to insure a fairly steady stream of output. The committee should have a small special staff, besides enlisting aid from the agencies represented and from individual specialists outside of the government. The President would be informed of the progress of the work, be aided in his politico-economic thinking, and have opportunities to bring his own ideas gently to bear on it; but he should resist temptations to dominate it.

In due course, the matured reports could be published, without fanfare, for serious critical review by independent economists. Upon them could be based popularizations of the significant results for wide circulation.

Lack of space precludes elaboration of my suggestion of a parallel undertaking under appropriate auspices outside the government, but I believe this has merit. And there is scope for arti-

⁸ See Possible Methods of Improving the Parity Formula: Report of the Secretary of Agriculture Pursuant to Section 602 of the Agricultural Act of 1956, 85th Congress, 1st Session, Senate Document No. 18, February 1, 1957. This did not go to the heart of this intrenched concept.

cles by individuals designed to contribute to this end result.

CONCLUDING OBSERVATIONS

The foregoing suggestions are made without any assumption about the outcome of the 1960 elections and regardless of the positions that may be taken and commitments that may be made by the successful candidate for the presidency. These might more or less severely restrict the scope and character of subsequent critical appraisals within the government, for a time at least, but would not obviate the need for them.

Wise revision of the discredited parts of the farm program to bring it into far better accord with economic realities,

budgetary sanity, and our foreign economic policy is a large job that cannot be quickly or easily achieved. It will be more difficult if the new Administration should be firmly committed to actions determined in advance of adequate analysis.

In view of the uncertainties immediately ahead, it seems futile to propose ways in which specific policy formulations should be arrived at. Experience seems to make it clear, however, that these should be much less exclusively drafted within the Department of Agriculture than has hitherto been the rule and that leaders in closely related agencies should have ample opportunity to influence their final character before the President makes the final decision.

Congressional Farm Politics and Economic Foreign Policy

By CHARLES M. HARDIN

ABSTRACT: The primacy of foreign policy centers attention upon Congressional politics with its wonted stress upon local and particular issues. Farm political influence is considerable in Congress where domestic farm policies, often with unfortunate effects upon foreign policy, are strongly rooted. Farm politicians in and out of Congress must help improve the legislative process in order to give the emergent national concern in a sound and effective foreign policy its merited support. While some adaptation of present procedures is possible, the needs of the times require a courageous examination of more sweeping proposals for change.

THE obvious primacy of foreign policy underlines the rising significance in foreign affairs of Congress and especially the House of Representatives. Despite improved organization and staffing to focus more effectively and steadily on world affairs, Congress is still extremely responsive to local interests in shaping and financing both foreign policy and also domestic policies that have a clear and present bearing upon foreign policy. If Congress is to address itself to the great issues of national survival and national purpose in a manner that will vindicate representative government, those interests and groups with the greatest voice in the legislative branch must consciously recognize the problem and commit their strength to its solution. High among the major legislative interests and often foremost among them is agriculture. Hence a grave responsibility rests upon all persons associated with Congressional farm politics, first, to co-ordinate farm policies better with foreign policy and, second, to assume their due responsibility in generally reorienting and, if necessary, reorganizing Congress to play a more adequate role in foreign policy. Granted, the obligation goes beyond agriculture to other groups just as the problem transcends Congress to include related parts of the political process: public opinion, political parties, the President, and the administration generally; but the focus here is upon agricultural politics in Congress.

FARM POLITICS IS CONGRESSIONALLY ORIENTED

Farm politicians in the United States work happily and, on the whole, effectively through Congress. True, executive leadership has sometimes been crucial both in advancing and in frustrating farm policies. Most farm leaders most of the time have been suspicious of the Executive. Their power is mag-

nified in the Congressional constituency by virtue of the equal representation of states in the Senate and of the control of Congressional redistricting by state legislatures which are typically dominated by nonmetropolitan interests. Within Congress their power is enhanced by the seniority rule which elevates to controlling positions, especially to committee chairmanships, many more legislators from rural areas than the proportion of farm population in the country justifies. The usual Presidential constituency, in contrast, is different, larger, and much more nearly centered in the great cities.

Farm price policy illustrates the Congressional bent of rural politicians. The agricultural bloc of 1921 was formed in, and realized its early triumphs essentially through, Congress—just as it met defeat of its price program in Presidential vetoes of McNary-Haugen bills. Executive initiative was vital in the Agricultural Marketing Act of 1929, in the Agricultural Adjustment Acts of 1933 and 1938, in the Second Price Control Act of 1942, and in the Agricultural Acts of 1954 and 1958. But Congress took the leadership in 1934 with the Bankhead Cotton and Kerr Tobacco Acts, and in 1940–1942 when farm price supports were raised to 90 per cent of parity and legislatively guaranteed to continue for two calendar years after the formal cessation of hostilities. Congress frustrated the flexible price proposals of the Executive in 1948 and the Brannan Plan in 1949; it tempered the Eisenhower-Benson farm bills in both 1954 and 1958. During farm politics' "modern period"—which began when farm prices fell in 1920—farm policy has repeatedly been stalemated by Executive-Congressional conflicts—1926–1928, 1930–1932, 1948–1953, 1955–1956, and 1959–1960. In the earlier years, however, stalemate meant going without an effective farm pro-

gram. Since World War II it has meant maintaining a complicated and expensive farm program which the Executive has been determined to change.¹

BEARING OF FARM POLITICS ON FOREIGN POLICY

Farm politics has affected American foreign policy for both good and ill. National benefits beyond exaggeration have issued from agriculture's great and growing productivity which in itself is consequential largely to long-range public policy, beginning even before the Morrill Act of 1862, of applying science to agriculture. A tremendous output of farm produce in critical times has strengthened this nation, its allies, and other countries as well—not least, those nations that our allies and we have defeated in war. Meanwhile, growing agricultural efficiency has continued to release resources for other economic sectors.

Agriculture has had a mixed influence upon foreign trade policy. Many farm products, especially cotton and tobacco, and, to a less extent, wheat and lard, have heavily depended upon export markets. Until recently the cotton South has solidly supported free trade. Since the 1930's the American Farm Bureau Federation, with few qualifications, has favored periodic extensions of the Reciprocal Trade Agreement Act, as has the National Farmers Union (NFU), despite the apparent conflict with the purposes of price-support policies the NFU has endorsed since about 1949. Long an apostle of "the American market for the American farmer," the National Grange has recently relaxed its opposition. On the positive side, in the Foreign Trade Development and Assistance Act, in the Mutual Secu-

rity Act, and related programs, farm politics has effectively pushed the foreign disposal of domestic surpluses but with some intention—partly fulfilled—to help economic development in recipient countries.²

On the other hand, agricultural protectionist interest, expressed especially—though not exclusively—by commodity organizations, have tried with some success to restrict foreign trade. Since the McKinley Tariff of 1890 and the Wilson Tariff of 1894, our tariffs, quotas, and domestic price programs for sugar have repeatedly disturbed Cuban economics and politics—severely after 1929, in 1940, and in 1948, but more mildly in many other years. Wool politics nearly disrupted the 1947 Geneva negotiations which led to the General Agreement on Tariffs and Trade (GATT). Protection of dairy products under the Defense Production Act of 1951 brought a charge by eight nations that this country had nullified and impaired GATT.³

Domestic price support programs have not only been written essentially without regard for foreign economic repercussions, but since 1935 agricultural price legislation has provided both for subsidized exports of surpluses and also for the protection of domestic programs from the upsetting effects of agricultural imports. Quota restrictions were tightened and made mandatory by the Defense Production Act of 1950, provisions of which were allowed to lapse in 1953 only after executive commitments to administer more vigorously the restrictive provisions of the earlier law—Section 22 of the Agricultural Adjustment Act of 1935.⁴

² Willard Cochrane, this volume.

³ Holbert N. Carroll, *The House of Representatives in Foreign Affairs* (Pittsburgh: University of Pittsburgh Press, 1959), p. 51.

⁴ D. Gale Johnson, *Agricultural Price Policy and International Trade* (Princeton University, 1954), pp. 9–10.

¹ Charles M. Hardin, "Farm Political Power and the U. S. Governmental Crisis," *Journal of Farm Economics*, Vol. 40, No. 5 (December 1958).

Price support programs have often been followed by domestic surpluses which have been subsidized and sold abroad, although not in great amounts—except for wheat under the International Wheat Agreement—until the Agricultural Trade and Assistance Act, and related programs, of the 1950's. As noted elsewhere, efforts have been made to reconcile this program with the trade of friendly nations having competitive farm exports. But the heavy production in the United States together with the export policy continues to harass not only the prospects of friendly exporting countries but also the economic development of countries that this nation is trying to help. Thus *The Second Five Year Plan*⁵ for Pakistan notes that its projected increases for cotton production have been cut 17 per cent because—among other things—of uncertainty about the “disposal policy for cotton surpluses in some . . . countries. . . .”

Finally, agricultural programs are notoriously costly. To find money for these and other heavy spending programs, Congressmen search for possible budgetary economies which they regularly find in foreign policy expenditures.

In 1945–1957, the House of Representatives cut the President's recommendations for Mutual Security appropriations by 10.4 per cent and for the Department of State by 13.6 per cent;⁶ although the Senate typically raised the annual figures on both items, the final slash remained a testimony to the fact that neither the State Department nor the Mutual Security Administration has a group behind it such as farmers, labor, the veterans, or the supporters of rivers and harbors bills or of protection for merchant shipping.

⁵ Government of Pakistan (Karachi, 1960), p. 34.

⁶ Carroll, *op. cit.*, pp. 182, 185.

WHAT MAY BE DONE?

A scholarly survey of the Congressional role in foreign policy warmly commends the efforts of many enlightened Congressmen—including some in the “farm bloc”—and of some Congressional staff workers to improve the present system. “Yet the question remains: is this enough? The evidence presented in the preceding chapters—the procedure of uncoordinated and slipshod control—supports the conclusion that it is not.”⁷ The needs can only be hinted at here. The Congressional contribution to foreign policy should be co-ordinated and integrated rather than cut into bits and pieces for division among a score of committees. The Foreign Affairs Committee of the House should have prestige in proportion to the importance of the problems assigned to it. The Congressional approach to the budget must be integrated and co-ordinated with the Executive's. To achieve these ends requires much better party leadership. Even effective bipartisanship in foreign policy, so far as it is desirable, needs a degree of party leadership now virtually unknown.

Only in this way can Congress develop “the sense of corporateness for determining policy, so that the Senate and the House—rather than their committees—are in fact the heart of the process of determining policy.”⁸

This is indeed a large undertaking. Whether evolution reinforced by exhortation can achieve an effective approach to the problems of our time—here exemplified, though by no means, exhausted, in the effort to integrate farm policy and foreign politics in the national interest—is extremely doubtful.

⁷ Carroll, *op. cit.*, p. 238.

⁸ Roland Young, *The American Congress* (New York: Harper and Brothers, 1958), p. 275.

True, there is evidence that Congressmen have more leeway than they think in raising or lowering farm price supports. The fate of Congressmen seeking re-election cannot be shown to hinge on whether they voted for "flexible" or "rigid" price supports.⁹ Rather, their fate is much more dependent on the fortunes of their political party—and in their turn, these fortunes rise and fall with the more general tides of hope and fear in the electorate.

But will more partisanship help? It can be argued that spurts of partisanship in farm politics have sharpened the

difficulty of securing domestic policy that is compatible with foreign policy in the national interest. In reflecting on this "counter thrust," we must first remember that present methods work very badly. Second, we must think of partisanship not as simply grafted on our present divided and splintered politics but as emergent in a changed—and, I think, eventually a profoundly changed¹⁰—political system. We must work toward national parties that empower, engage, and constrain both citizens and their responsible leaders. An initial step is to follow the advice of President Eisenhower: to end the biennial Congressional elections and to synchronize elections of the entire House of Representatives with the quadrennial choice of the President.

⁹ Thomas V. Gilpatrick, "Farm Price Support Policy and the Midwest Farm Vote," *Midwest Journal of Political Science*, Vol. 3, No. 4 (November 1959); J. Roland Pennock, "Party and Constituency in Postwar Agricultural Price-Support Legislation," *Journal of Politics*, Vol. 18 (1956), pp. 167–210; Charles M. Hardin, "Farm Price Policy and the Farm Vote," *Journal of Farm Economics*, Vol. 37, No. 4 (November 1955).

¹⁰ Charles M. Hardin, "Farm Political Power and the U. S. Governmental Crisis," *op. cit.*, and Stephen K. Bailey, "The Condition of Our National Political Parties," Fund for the Republic, Inc. (New York, 1959).

Farm Policy, Foreign Policy, and Farm Opinion

By LAUREN K. SOTH

ABSTRACT: The United States has excess farm production and technical agricultural resources which could be used profitably in overseas development programs. The export of these farm resources would benefit American agriculture and would cost American consumers very little. To accomplish such a shift would take (1) more government intervention in the farm economy and (2) more United States involvement in international programs. How would the American farm "public" respond to proposals for such changes in policy? The largest and most powerful organization, the Farm Bureau, would resist these changes in farm and foreign policies, and although other groups—especially the Farmers Union—would favor action, the combined weight of farm organizations would be opposed. Some recent changes in farm opinion, however, may point to modification of farm organization attitudes in the future.

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IN recasting farm policy to better suit the purposes of the nation's foreign policy, what changes are politically "possible," or feasible, so far as the pressure groups and the opinion-makers in agriculture are concerned?

Anyone who generalizes about "farm opinion" in the United States stands on dangerous ground. There are so many different kinds of agricultural business in this continental country, so many diverse farm economic interests that a national farm opinion does not exist. With that caveat explicitly stated, let me stand this dangerous ground and generalize about farm opinion.

To begin with a sweeping generalization, farm people and farm organizations subscribe to what may be called the "feed the hungry" doctrine. They would like our food surpluses to be used for helping the undernourished of other countries. This stems from natural humanitarian instincts, as well as painful awareness that American agriculture produces more than can be consumed at home without drastic declines in prices.

FOREIGN ECONOMIC DEVELOPMENT

When it is a question of providing foreign countries with technical aid to help their farmers produce more, American farmers are not so unswerving in their support. Some fear that the United States might be building up foreign competition for American farmers. On the whole, however, farmers and farm organizations have supported the Point Four program.

Thus, the general lines of American policy toward the underdeveloped countries of the world find an agreeable response in agricultural circles.

Does this mean that farm organizations would respond enthusiastically to a large expansion of foreign agricultural programs which would call for substantial alterations in domestic farm policy?

Not necessarily. They would respond enthusiastically if they felt the change would increase farm income or at least not worsen it. But if they thought the change would be costly to them, they would oppose it—regardless of the larger welfare of the country as a whole. In this, of course, farmers are not different from other people. They would argue, as their leaders have many times in the past, that if the action proposed is in the national interest, then it should be paid for by the people as a whole.

For example, one way to help the underdeveloped countries would be to provide easier access to the American market for their exports of agricultural products, but United States farm organizations would object strongly to lower tariffs, larger quotas, or other liberalization of United States trade barriers against foreign agricultural products.

Farm organizations are thoroughly in accord with a policy to expand exports of United States farm products for the benefit of people in underdeveloped lands and American agriculture. But there is disagreement about ways and means, and an expansion of government subsidy programs would meet fierce resistance from some farm groups—on ideological grounds. Strange as it seems in connection with such practical people as farmers, ideology may well be the most important factor involved in gaining the support of farm groups for the programs contemplated in this volume. Before discussing this, however, it is necessary to examine the economic impact of these programs on United States agriculture.

IMPACT ON DOMESTIC AGRICULTURE

American agriculture has large excess capacity in relation to present domestic markets. In recent years something like 6 or 8 per cent of output has been stored or disposed of through noncom-

mercial channels. Moreover, new technology and new capital invested in agriculture are advancing output faster than the growth of population and rising nonfarm income per person are increasing the commercial market demand.

Clearly, commercial farmers as a group would be in a better economic position if some way could be found to restrain production. If output could be lowered by 6 or 8 per cent, farmers would receive the same prices in the market without government purchases and disposal operations. If production could be reduced somewhat below this level, farm prices would rise and net incomes of commercial farmers would be higher. The sharply inelastic demand for food—becoming more inelastic as the country gets richer—means that the adjustment in output could be small and still yield substantial returns to farmers.

By the same token, an increase in the quantity of farm products detoured outside commercial markets and made available to people of the lesser developed countries also would produce higher income for farmers.

Let me couch this in another way: the United States has excess agricultural resources, which could be used profitably in overseas development programs—to the benefit of American agriculturists and with little cost to American consumers. A small decrease in the food supply available to American consumers would mean a substantial rise in prices to the farmer but only a modest increase in retail prices of food. This is because the raw farm products constitute a relatively small proportion—38 per cent in 1959—of the total food bill.

In theory, therefore, the American public could make a given contribution to foreign economic development at less cost through using its excess agricultural resources than in any other way.

The demand for farm products is much more elastic in the underdeveloped countries than it is in the United States. Thus there is a genuine economic gain for all concerned from this international transfer: a gain to American agriculture; a gain to the foreign recipients of aid; a smaller cost to the American taxpayer than if he provided the same amount of aid—at dollar cost—in the form of industrial goods and technology.

There is no doubt that United States agriculture could “spare” a third or more of its overhead production-improvement organization—namely the United States Department of Agriculture technical research and educational services, combined with the state land-grant college experiment stations and extension services—without strain.

Indeed, agriculture would gain from such a shift if the reallocation of its educational services slowed down the accretion of new technology in American agriculture. It probably would not, because (1) private research in technology would expand to offset part of the reduction in public research, and (2) research by American scientists on technology for India, Peru, and Ghana would produce some useful techniques for American farming. But in any event a reduction of public effort devoted to converting basic scientific knowledge into new American farm technology certainly would do no injury to United States commercial agriculture.

This looks like magic—an easy way to help the poor countries and help ourselves at the same time. Why has something so eminently sensible and “economic” not been done long ago? Why does not the United States ship three times as much grain under Public Law (P.L.) 480? Why is not the Point Four technical assistance program three times as large as it is?

FARM OPINIONS

The answer is, of course, that such a massive reallocation of farm production and farm resources would be extremely difficult to arrange politically—both on the foreign scene and on the domestic. This article is not concerned with the difficulties of “putting over” such a policy in the recipient countries or in competing farm export countries. Nor is it concerned with the difficulties of explaining and selling to the American public this abstract idea about a “least-cost method” of helping the poor countries. It is only concerned with whether the idea would be salable to United States farmers and farm organizations.

To compress the problem to a workable size for analysis, one is compelled to erect some boundaries. So I shall be dealing with the attitudes of what the census calls “commercial” farmers—and primarily with attitudes of those engaged in major crop and livestock farming. The subsistence, part-time, and very low-income farmers do not really enter in the equation, because they do not participate in the leading farm organizations and because they are not greatly concerned with the kinds of farm policies here discussed. The “Point Four” technical aid programs America uses to help its own “underdeveloped” farm areas have an important bearing on this country’s relations with the outside world, but that is another issue not directly associated with the one at hand.

To derive a reasoned judgment about this complicated question of political behavior, one must resort mainly to inferences from stated positions and reactions of major farm organizations, along with signs of trends in farm opinion.

The massive changes in foreign and farm policies here proposed would require a considerable expansion of gov-

ernment activity in the farm business. United States agriculture would have to be adjusted in order to suit the requirements of a national policy of assisting underdeveloped economies reach what Walt W. Rostow calls the “take-off point” of sustained economic growth.

This might involve drastic adjustments—in cotton, for example, to open up a larger portion of the United States and Western European markets to Brazilian, Egyptian, Indian, and Mexican cotton. It is unthinkable that the United States would suddenly eliminate price protection and quota protection for American cotton growers without substituting some form of direct subsidy or adjustment payments. In this century governments do not repeal “corn laws,” as the British did in the 1840s, without compensating the victims of an action taken in the national interest.

The changes suggested also imply a high degree of co-operation with other countries, including participation in international organizations, such as a world grain stabilization agency. The international transactions we are discussing could not take place through the private market system. It would be impossible for the United States to supply the underdeveloped countries with, say, 750 million bushels of grain a year for ten years—easily within our capacity—unless Canada, Argentina, Australia, and other exporters were brought into the operation—to say nothing of the leading commercial importers of grain who might be directly affected.

As clues to the American farm reaction to a major policy alteration of this nature, then, we may ask, what is the attitude of farmers and farm groups to more government management of the farm industry, and what is their attitude toward more “internationalization” of the farm business, with the relinquishment of some phases of national sovereignty in this field?

Farm Bureau

When the questions are put in this blunt fashion, they nearly answer themselves. American farm policy leaders are not ready for such violent changes.

The leading farm organization, the Farm Bureau, with a million and a half members, comprising within its own membership a substantial majority of all the commercial farmers of the country, stands staunchly against more government action in agriculture. It wants a reduction of such action instead. In the last dozen years, the Farm Bureau has moved into increasingly doctrinaire opposition to government "controls." Its faith in "free markets" has remained firm in the face of declining farm income.

Recent statements by Farm Bureau leaders and the resolutions passed at the December 1959 convention show that the organization would be opposed to expansion of foreign aid programs, including the P.L. 480 sales of farm products for "soft" foreign currency.

The Farm Bureau in early 1960 called for a reduction in foreign aid spending as a means of correcting the deficit in the international balance of payments of the United States, showing more concern for the unfavorable balance of payments than the Eisenhower administration itself. In its 1959 resolutions, the Farm Bureau said, "Economic aid in the form of capital investment should be substantially reduced." The organization said that "Public Law 480 was designed as a temporary measure to help relieve problems caused by unrealistic domestic farm programs." It said that it is now time "to make a critical review of this (P.L. 480) program. . . . We do not question the need for a more adequate food supply among people in many parts of the world, but we do question the wisdom of American commitments which may jeopardize

commercial trade and our financial stability."

The Farm Bureau showed alarm that foreign aid might be used to promote socialism: "Every effort should be made to prevent the misuse of U. S. taxpayers' money representing the fruits of free enterprise to establish, promote and support socialistic schemes." It resolved that Development Loan Fund loans should be granted only when the recipient country follows policies that "attract private investment."

Since many of the underdeveloped countries believe they can achieve rapid economic progress only by a high degree of government enterprise, the conditions laid down by the Farm Bureau would be unacceptable. Besides, the newly independent countries resent "conditions" of this kind on loans from the rich, capitalistic United States.

Further indications of the reaction of the Farm Bureau to proposals for a large expansion in foreign agricultural aid, from the 1959 resolutions:

We should avoid the perpetuation of programs which give away our farm products. . . . We are opposed to proposals to establish agencies within the United Nations through which large sums of U. S. money (or a major portion of U. S. surplus agricultural commodities) would be channeled for economic development programs. . . . We believe the United Nations could become a more effective world forum if it did not dissipate its efforts through numerous and elaborate economic and social welfare programs.

The Farm Bureau was generally international in its viewpoint until recent years. It was an early backer of the reciprocal trade agreements, strongly supported the United Nations, the Marshall Plan, and similar policies. It continues to advocate trade agreements and a freer trade policy. But in recent years it has become identified with some poli-

cies of right wing nationalist groups, probably because of its agreement with these groups on domestic policy.

For example, it "vigorously opposes" repeal of the Connally amendment to United States participation in the World Court. This amendment reserves to the United States the right to determine whether any case in which it may be involved before the court is a domestic matter or is subject to jurisdiction by the court. President Eisenhower has asked several times for the repeal of what he calls this "self-judging" amendment.

The Farm Bureau, even in late 1959, was still echoing the demand that the "United States should make sure that the staff of the United Nations is subject to reasonable security controls." It did not say how the United States could subject the staff of this international organization to its own national security controls.

On domestic farm policy, the Farm Bureau wants to "eliminate government regulations" just as soon as possible. It flatly opposes production payments—calling them "unsound and dangerous"—wants to move in the direction of eliminating acreage allotments and quotas, and thinks "the government should refrain from direct participation in the marketing of farm products."

It is evident that the kinds of foreign policy and farm policy changes suggested in this volume would be completely incompatible with the Farm Bureau's policies.

Other organizations

The other general farm organizations would be more agreeable than the Farm Bureau to increased government intervention in agriculture.

The National Farmers Union would support the policy changes suggested, both on the domestic scene and in for-

ign affairs. The Farmers Union advocates making Public Law 480 a long-range program with expanded appropriations. It has favored international agencies to stabilize prices of farm commodities, such as a "world food board." It also has supported economic aid through United Nations agencies. It has recommended production payments for a number of years.

The National Grange falls somewhere between the Farm Bureau and the Farmers Union in its general approach to both domestic and foreign policy. This is a considerable change both for the Grange and the Farm Bureau in the last twenty years. In the 1930's the Grange was quite nationalistic and protectionist on tariff and trade policy. In recent years, however, it has moved more in the direction of free trade and has backed foreign aid programs, but with reservations somewhat like those of the Farm Bureau. It is in domestic farm policy that the Grange has shown more willingness to accept government action than the Farm Bureau.

Even if the Grange were to be counted—along with the Farmers Union—as generally sympathetic to large-scale adjustments in farm and foreign aid programs, which would be stretching the evidence a good deal, one would have to say that organized agriculture as a whole represents a negative influence. This is because of the size and political strength of the Farm Bureau as compared with the other two organizations.

It may be argued that these farm organizations do not truly represent the opinion of farmers. A good deal of evidence could be produced that most farmers do not agree with the "free market" policies of the Farm Bureau. Scientific sample surveys of opinion in Iowa and Wisconsin in recent years have shown farmers to be more favorable to price supports, direct payments,

and acreage controls than the Farm Bureau is.

The most recent Iowa Poll, conducted by the Des Moines Register, showed a much higher percentage of farmers—44 per cent—in favor of price supports based on parity than were in favor of the Farm Bureau plan of price supports based on an average of market prices for three previous years—24 per cent. The Farm Bureau is overwhelmingly dominant in Iowa, with more than 100,000 members.

Votes on marketing quotas in the wheat, tobacco, and cotton areas would indicate that many Farm Bureau members do not shudder at the idea of government regulation of marketing.

However, the farm organizations do speak for farmers, and the Farm Bureau speaks loudest of all. Unless the members demand changes in the policies and the leadership of their organizations, it must be assumed that they are satisfied and that the organizations accurately represent member opinion.

DISSENTING FARM VOICES

Plainly, it would take an overthrow of the present leadership of the Farm Bureau to provide unified farm organization support for major changes in farm policy which would make a bigger contribution to underdeveloped countries. In the early years of the Great Depression, the major farm organizations did co-operate fairly well in setting up the original Agricultural Adjustment Act and in other farm legislation. What indications are there that farmers might force a change in the policies of their organizations now?

A few such indications may be cited. The National Farm Organization, a new group only four years old, has been winning members in the Midwest on a platform of production control, withholding commodities from market, and "collec-

tive bargaining" with the buyers of farm products.

Some commodity organizations, like the National Wheat Growers Association, have advocated production controls, including quotas on the number of bushels a farmer could sell, and multiple pricing. Even the Farm Bureau has had some rumblings. The biggest state Farm Bureau organization, the Illinois Agricultural Association, passed a resolution in 1959 for compulsory acreage retirement. The Illinois delegation was not able to secure acceptance of this resolution in the American Farm Bureau convention, but it indicates some resistance to the national Farm Bureau policies.

The unpopularity of Agriculture Secretary Ezra Benson among farm people certainly is an indication of disaffection with present farm policies. The heavy farm vote on the Democratic side in the Wisconsin primary points in the same direction. The fact that no politician in either party associates himself with Benson policies in the Middle West is significant, and Vice-President Nixon has plainly tried to divorce himself from Benson. By and large, Benson represents the policies of the Farm Bureau.

So it is conceivable that after the 1960 election some change in farm organization policies might occur. The Farm Bureau has not always been as rigid in its position as it is today. In 1920, for example, the Iowa Farm Bureau was agitating for the withholding of farm products from market, as the National Farm Organization does today. Maybe it will become less dogmatic in its opposition to government action in the future.

But as the situation stands right now, the only reasonable conclusion is that the farm pressure groups would be opposed to the kinds of farm and foreign policies proposed in this volume.

Farm Organizations and the National Interest

By ROSS B. TALBOT

ABSTRACT: A world-wide contest for power between the nations of the free world and those within the Communist orbit is the dominant phenomenon within international politics today. This situation is certainly not new, but the pace is accelerating. Within the next decade or so the loyalties of the underdeveloped and uncommitted nations will be molded. Food can be a significant weapon for the United States, both in terms of national interest and national morality. One major difficulty, however, is the inability of American farm organizations to see the central issue of our times and to concentrate their unified efforts upon this objective. They tend to confuse rhetoric with reality and thereby dissipate our national strength through their misunderstanding of the crucial goal. A White House Conference on Farm Policy is proposed as a means for beginning the redirection of American farm policy. The genius of American politics seems to call for a new accommodation in view of the threatened national security and the mounting dissatisfaction with present farm policies.

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THE July 1959 issue of *The National Grange Monthly* declared: "... Russia is bent on an over-the-years goal of taking control of the world, whereupon man, as a mortal being and an individual with rights and privileges, would vanish into generations of darkness." If this grim estimate of the situation is accurate, the people of the United States and our allies in the "free world" have abundant cause for concern. Should the more optimistic view of Harrison Salisbury, and Lauren Soth of the *Des Moines Register*, accurately predict the direction in which United States-Soviet relations are moving we would probably discover that the thaw is only partial—a modest shifting of strategy and techniques away from the present and dominant military emphasis. Whatever the trend, the 1960's will be the decade of decision. One important area of decision must concern farm policy. The present farm policies of the United States are unsatisfactory, domestically and internationally. Solutions to this "farm problem," constantly being advanced, will not be reviewed in this paper. Rather an attempt will be made to suggest, procedurally, a new and dynamic framework in terms of our national interest in which the farm problem might be alleviated, if not solved. It is assumed that this crucial redirection can occur only through fitting domestic farm policy more effectively into an appropriate foreign policy.

Our political system consists of a "polity of pressure groups," according to Walter Lippmann, and his phrase is especially apt for the area of farm policy. National farm legislation is constructed through a complex and usually tendentious intermingling of different power centers—the national farm organizations, key members of certain Congressional committees, the United States Department of Agriculture

(USDA), the President, and other interests. Out of this environment has come a "hodgepodge" of farm laws which are expensive in operation, contradictory in policy directions, and thus inaccurate in terms of diagnosis and prescription. The nature and growth of our political system has, admittedly, made the development of systematic and responsible policies most difficult. Nevertheless, it is assumed that: (1) a rational farm policy can be worked out in terms of our national interest, (2) such a redirection of policy can only result if there is a reconciliation of ideological and personality differences among the major farm organizations, and (3) for reasons already stated, it is clearly mandatory that dramatic attempts be made to provide an intellectual and political atmosphere in which these farm policy and organizational differences can be analyzed and adjusted. Thus it is proposed that the next President of the United States call into session, as soon as possible after his inauguration, a "White House Conference on Farm Policy."

Before outlining the goals and structure of this proposed conference we must ask: Which are the major farm organizations? How did the present intergroup schism come about? Why might a White House Conference on Farm Policy resolve these policy differences and factional feuding? How could such a reconciliation be in the national interest of the United States?

AMERICAN FARM ORGANIZATIONS

The American Farm Bureau Federation (AFBF) is clearly the largest and most powerful of all the farm organizations. With an individual membership—one to a family—of some 1.6 million in 1959 it overshadows the National Grange with its 789,031 family members and the National Farmers Union's

543,472 family members.¹ The two different methods of calculating total membership make it difficult to do an exact comparative analysis as to size. However, the Farm Bureau's strength, per state, is apparently exceeded by the Grange in the New England area, the Middle Atlantic states, Ohio, Oregon, and Washington. The Farmers Union has more membership than the AFBF in the Dakotas, Montana, Minnesota, and Oklahoma, although the Farm Bureau has substantial strength in those states too, excepting South Dakota and Montana. The budget for the National offices—Chicago and Washington, D. C.—of the AFBF for the year ending November 30, 1958, was nearly \$1,500,000, which places it much above the other farm groups in terms of organizational wealth.

The National Council of Farmer Cooperatives (NCFC) has a total membership of more than 3.5 million, but it is a confederation; actual power is located in the 126 state and regional co-operatives and the nearly 5,000 local co-operative associations they represent. Thus the NCFC suffers from the weakness of all confederations; the national organization exists at the sufferance of its sovereign masters.

The National Farm Organization (NFO), with most of its membership in Iowa and Missouri, was organized in 1955 as a protest movement against low livestock prices and appeared to have a renewal of organizational energy in 1959. Whether the collective bargaining power approach of the NFO will substantially influence the organizational strategy of other farm groups is unclear.

Then there is an abundance of commodity organizations, such as, the National Association of Wheat Growers,

the National Corn Growers Association, the National Milk Producers Federation, and the National Cotton Council. An estimated fifty to sixty special commodity groups are more or less active on the national political scene. Recent attempts of some thirty-six of them to co-ordinate their activities through a National Conference of Commodity Organizations (NCCO) have met with only minimal success.

SCHISM AMONG FARM GROUPS

Disagreement among the major farm groups can be viewed in historical, geographical, ideological, and leadership terms. The following discussion will concentrate on the nature of the ideological and the leadership differences among the three general farm organizations. It is primarily through a reconciliation of these differences that the necessary adjustments in farm policy may be accomplished.

The Farm Bureau

To cite Justice Holmes, the AFBF's national leadership is convinced that the United States Constitution embodies Herbert Spencer's *Social Statics*. Their major premise is that the iron laws of supply and demand will, if unfettered by government controls, govern farm yield so that it is produced as efficiently as possible and only in such amounts as the market can sustain. The AFBF is so overwhelmingly concerned about a free market philosophy that it may be losing sight of national and international goals which will have to be sought through the use of several political and economic methods.

Historically, the international policies of the Farm Bureau have been positive and broadly oriented. Their efforts for freer international trade have been in the liberal and internationalist tradition. Public Law 480 was probably conceived in the Chicago office of the AFBF. In

¹ The last two membership figures are for 1958 and the comparisons, by state, are also based on 1958 data.

recent years, however, the leadership of the organization has become involved in, if not the leader of, the "New American Right." The dangers of positive government are continually brooded upon and harangued against. The traditional axiom—that government is best which governs least—seems to govern the recent policy statements of the Farm Bureau. Power is, truly, a dangerous weapon but the domestic and foreign policy of the United States may suffer certain defeat if this eighteenth-century axiom is considered to be a principal guideline for policy determination during the remainder of the twentieth century. In this time of trouble and crisis, the nation has a right to demand a high order of statesmanship from one of its most powerful political associations.

The Farmers Union

The National Farmers Union (NFU) is a composite of frustrations touched with humanity. Historically, it is a protest organization with a strong leaning toward liberal—to some extent, socialist—ideologies. Jeffersonians in their adulation of the small family farm as the backbone of American democracy, they cling to a stereotype that is rather rapidly fading away.

The central tenet of Farmers Union ideology—the family farm—is confusing, and perhaps misleading, the NFU in its efforts to bring about major changes in farm policy. The Poage-McGovern bill—often termed the Family Farm Income Act of 1960—is designed to use the instrument of national government to achieve parity of income for farmers. Thus the family farm, it is assumed, would be preserved. But the provisions of the bill seem to present genuine hazards for American foreign policy. The record of the NFU is clearly pro-internationalist. Nevertheless, the enactment of the presently

sponsored legislation might well further aggravate American foreign policy—"The wheat title [in the Poage-McGovern bills] provides 100 percent parity market price for domestic food and export wheat by means of managed marketings."² Can this "managed marketing" method be fitted into a foreign policy which is in the national interest?

The National Grange

Born of agrarian agitation and protest, the Grange has become so much of a social and fraternal organization that it is difficult to analyze its political capacities. Of the major farm organizations, the political base of the Grange seems to be clearly the weakest. Yet the Grange is respected in the nation's capital. The most probable reason for such a situation appears to be the confidence that the politicians have in the good sense of the organization itself. Not that the Grange is always "right," but there is a realization that no ideology, of an economic nature, binds it to a policy position in which the national interest will not be the paramount consideration.

Leadership differences

The nature of the leadership—or personality—differences can only be summarized. What De Tocqueville termed the "... secret propensities which govern the factions of America ..." seems to operate within the leadership of the farm organizations. The Farm Bureau leaders, notable since the advent of Allan Kline and then Charles Shuman to its presidency, have inclined toward the "passion" of aristocracy³—not of

² National Farmers Union, *Farm Legislative Status Report and Farm Economics Situation* (March 22, 1960), p. 7.

³ Alexis de Tocqueville, *Democracy in America* (Phillips Bradley, Editor), (New York: Alfred A. Knopf, Inc., 1945), Vol. I, p. 178.

an hereditary, nobility type such as characterized the Old World but an aristocracy based on economic success in the business of farming. The Farmers Union leadership has been moved by the democratic "passion"—the belief in human equality and the willingness to socialize in order to achieve that goal. Since perhaps the mid-1940's, and particularly within the last decade, these differences have sharpened. They will not be reconciled in any simple fashion. To compound this problem is the bureaucratic consideration: after many years of tenure and activity the permanent personnel of an organization is not as amenable to the dissolution of policy differences as either the organizational membership or the nation might deem possible and beneficial.

The Grange leadership is pragmatic and not inclined toward the use of the political weapons of scorn and derision. Whether it has the political power and skill to be the "broker" in this area of ideological disunity is an issue open to debate.

A WHITE HOUSE CONFERENCE

Students of the American political system are quite generally convinced that the President of the United States is the major policy-maker. If he is not the innovator, he must be the catalyst. Otherwise no substantial unity and direction in public policy will occur. Consequently, we have proposed that the President issue the call for a White House Conference on Farm Policy. The Conference should be personally inaugurated by the President, and make its final report, including policy proposals, to him directly. The power of his office, the influence of his new electorate, and the magnitude and seriousness of the problem should provide the atmosphere for conciliation and positive action. If the election produces a President and Congress of the same political party, the

recommendations of the White House Conference might well become the basis of legislation. Even a split decision in the November election does not foreordain failure. Both nominees for President will be committed to the pursuit of basic changes in the farm program.

One foundation for such a conference is, at this writing, being laid at the Center for Agricultural and Economic Adjustment (CAEA) at Iowa State University, which is formulating plans for a Farm Policy review meeting in December, 1960. If these plans mature, this could well become a preparatory meeting for a later White House Conference. Those invited to the Iowa State meeting will be a few members of Congress who hold important positions in the legislating of farm policy and their committee staffs, certain officials of the USDA, the legislative representatives and research directors of the major farm organizations, a select group from the land-grant and private universities, and a cross sections of officials from other interested and concerned pressure groups.

The agenda of this proposed CAEA meeting will call for the following presentations—the nature of the present farm problem, a summary of its historical development, and a review of the major areas of farm policy legislation—price and income, soil bank, and surplus disposal programs. During the first part of each session, the "statement of policy" of the major bills of farm legislation will be analyzed in terms of the goals set forth therein as compared with the achievements that have been forthcoming. Following, there will be analyses of alternative methods which might be used to realize more effectively the policy objectives. The last half-day of the meeting will be utilized in the development of an over-all reappraisal of farm policy in terms of varying goals and methods.

Those who would attend the White House Conference should be selected from the very highest echelons of the national public and private organizations; this is particularly important in regard to the representatives of the farm groups. Certainly, the presidents of the three major farm organizations need to participate. Also, there should probably be ranking representatives from the NCFC and the major farm export-import groups—wheat, cotton, tobacco, wool, and sugar. It would seem prudent for the President to invite, too, those members of Congress who are ranking members of the House and Senate Committees which act in the areas of foreign and farm policy. The goal of the selection process will be to find the golden mean—not so large a membership that important decisions will be frustrated; not so small a membership that the centers of influence will be neglected.

Policy studies—such as those emanat-

ing from the Ames meeting—should precede the Conference itself and be made available, at an early moment, to the participants. However, this is not the place to discuss the mechanics of the Conference. Our principal emphasis is upon the energy and dispatch of the incoming President; if he inaugurates, sets the tone for, and sustains a constant interest in, the Conference it might well be of real benefit to the nation. The power, pomp, and prestige of his office will do much toward mitigating the divisive tendencies that are now so apparent between our national farm organizations.

This proposal, if of any considerable value, will not harbor postponement. The next President, barring a serious recession or sensational incidents which might weaken our international position, may well be the chief executive for the next eight years. Never will the warmth and strength of his mandate be more potent than in early 1961.

The Extension Service and Public Policy

By WALLACE E. OGG

ABSTRACT: If the United States is to have a foreign agricultural policy which is consistent with our over-all foreign economic policy it may be necessary to find some simultaneous solutions to our current farm problems. The Co-operative Extension Service is uniquely equipped to meet the challenge of providing a firm educational base for facilitating adjustments needed in American agriculture and also for a consistent foreign agricultural policy. But meeting this challenge will not be easy. The Extension Service and probably the whole land-grant institution would face a major reorientation of the extension educational program. Emphasis and support would have to be shifted from preoccupation with the technology scientific research has made possible to a much broader program of education designed to help society manage social and economic change. Whether extension can rise to this challenge may determine whether the United States can have a consistent foreign agricultural policy.

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DOES the Co-operative Extension Service have a role in the task of integrating foreign agricultural policy and domestic farm policy? The answer would seem obvious to anyone familiar with the historic role of the Extension Service in the scientific and technological revolution in agriculture. It is questionable if the integration can be achieved without the effective participation of the Extension Service.

At this time, the Extension Service is not actively participating. It is talking to itself about the responsibility in national conferences, and a few state programs have done a little. For the most part, however, the state programs do not include this responsibility.¹

EDUCATION ON FOREIGN POLICY

Why is the Extension Service not more actively involved in education on foreign policy? One reason is that an adequate program is so complicated that a superficial program might be worse than none at all. Others include tradition, a given audience, and a reluctance to approach this audience and a potentially much expanded one with a new and relatively uncharted educational area.

In the past, life for the Extension Service in most states has been fairly simple and—given the objectives—eminently successful. The goal has been to extend the use and applications of technological research to farm people. Evaluations could simply measure rates of the adoption of practices by farm people.

As indicated by other articles in this

¹ The recent market study tours sponsored jointly by the Foreign Agricultural Service and the Federal Extension Service have sparked considerable interest. Subsequent meetings and radio and television programs have been conducted. A sense of responsibility has been created, and one is aware that most specialists involved are a bit frustrated by the fact that they have not done more.

publication, accepting responsibility for an educational role in the development of foreign agricultural policy should not be taken lightly. The responsibility would include an objective analysis of the dynamic world situation and the broad outlines of the commitments that the United States has made in foreign policy. It would have to include an analysis of the place of foreign agricultural policy as part of our foreign economic policy. Commitments in the latter area include a combination of balanced technical assistance—balanced in the sense of including assistance with both technological innovations and social and economic adjustments to them. Commitments also include the export of capital to developing countries.

As these countries improve their productivity, trade, based on comparative advantage, will be a necessity—to provide market outlets for developing production and sources of commodities that can be purchased and imported more economically than produced at home. In the modern world of planned and controlled trade, this will probably not be nineteenth-century free trade. It will have a good deal of government direction, but the planning will need to be based on the principles of comparative advantage in order for economic development to flourish.

There may be alternatives to this developing outline of policy which should be explored. Certainly there are alternatives within our foreign policy commitments that will need exploration for specific policy implementation.

It already has been clearly indicated that it will not be enough merely "to wrench farm attention away from the home front." A foreign agricultural policy consistent with our over-all foreign policy goals probably is not politically feasible unless it is related to and based upon simultaneous solutions of some of the domestic farm problems. If

so, this means that nonfarm people also have a stake in domestic farm policy.

A sound program

A sound educational program will have to explore these problems and the alternative choices to deal with them. It will have to explore the complex relationships between foreign agricultural policy and domestic farm policy. This is indeed a large undertaking.

An educational program will have to face frankly such areas of conflict as:

- (1) Problems related to the level of output. There are sharp conflicts between efforts to contain our excess agricultural capacity and a consistent trade policy.
- (2) The inevitable fact that anticipating a really successful development program in agriculture for economically underdeveloped countries will generate fears of new competition and additional pressure for agricultural adjustment in this country.
- (3) Competition for both legislative attention and funds between foreign agricultural policy and domestic farm policy.

A sound educational program should also recognize the complementary relationships between domestic farm policy objectives and foreign agricultural goals of:

- (1) An adequate domestic educational program to facilitate needed adjustment in our agriculture. A program of vocational and educational counseling of youth and adults, technical vocational training, and college or university education for capable young farm people who are now bypassed would be only part of a much broader national educational effort for economic growth and national defense.
- (2) A domestic reallocation of both labor and capital from farming to other industries and services. This would not only relieve income problems in farming and strengthen the rest of the economy but would also reduce political resistance to foreign agricultural policy.
- (3) Reallocation of scarce scientific technologists from research and extension

work in the United States to foreign economic assistance. This would be consistent both with agricultural adjustment in the United States and with foreign economic development.

It is complicated enough to try to communicate the idea that only a simultaneous solution to domestic farm problems and foreign agricultural policy problems is likely to be politically feasible. It is even more difficult to do this in a way appropriate to objective education. And objectivity is imperative.

In an economy conditioned to high-pressure and superlative advertising and selling, the prestige of the Extension Service rests on a firm foundation of objectivity with technical information. This objectivity also must be maintained with education for foreign agricultural policy. Temptation would be strong to become the advocate of a program if only because the need for good policy is urgent. But the temptation must be resisted.²

A further complication lies in the need to expand the audience of the Extension Service. It is not sufficient to educate public opinion in agriculture. True, an effective educational program for the farm audience could make it easier for politicians to treat domestic problems in a perspective centered on foreign policy. But this may not be enough. The conflicts between domestic farm policy and foreign agricultural policy are not the exclusive concern of farm people. Because of the urgency of foreign policy, the nonfarm public could decide to resolve some of these conflicts at the possible expense of the interests of farm people. In this case, it is important that the nonfarm public

² This does not mean that the work of education is ended once people come to the threshold of action. As people decide what they want to do, education assumes a service and counseling role.

understand as fully as possible the areas of conflict and complementary interest so that conflicts are minimized.

Students of co-operative extension education have been saying that the audience of the Extension Service must be expanded to include the nonfarm audience in any case. The public affairs program often is mentioned as a candidate for this expansion. Talking about expansion, however, is much easier than achieving it. Extension education—for farm people—is highly respected by nonfarm people who know about it. But it seldom occurs to them to come to the Extension Service—unless they have a lawn, household, or garden problem.

Notable starts on broad programs in public affairs have been made in a few states, but these are only the beginnings. With so limitless an audience and such definitely limited resources, the plaguing question of where to begin raises its ugly head.

CAN EXTENSION MEET THE CHALLENGE?

Considering its past and present tradition of extending technological information, can the Extension Service rise to the occasion and participate effectively in educating public opinion on the related problems of foreign agricultural policy and domestic farm policy?

The Extension Service already has done a good deal of soul searching on this subject. For a little over fifteen years, the Extension Service has been saying to itself that extending technological information in farming and homemaking is becoming less important—and that public affairs education, including both farm policy and foreign policy, should receive increasing attention. This was mentioned in the Land Grant College Association's report, "Postwar Agricultural Policy," pub-

lished in October 1944.³ It was emphasized in the so-called "Kepner Report" of 1946⁴ and again in the "Joint Committee Report on Extension Programs Policies and Goals," published in 1948.⁵ Recently the Scope reports have re-emphasized these same ideas.⁶

There has been progress. Assisted by the Farm Foundation and encouraged by the Federal Extension Service, almost all states are represented at the Foundation's annual National Policy Conference. Most states make available some printed material on public policy issues. Perhaps half of the states conduct occasional meetings on national policy issues, and four or five states have more intensive programs with one or more full-time specialists in public affairs. Several of these states have conducted extensive programs on international understanding and foreign policy. Even in the most advanced states, however, there has been almost no actual reallocation of resources in public affairs programs.

The new programming has been made possible almost entirely by adding specialists in the field of public affairs.

³ Post War Agricultural Policy, Report of the Committee on Post War Agricultural Policy of the Land-Grant Colleges and Universities (October 1944).

⁴ Kepner Report, Extension Service, United States Department of Agriculture, No. 18 (January 1946).

⁵ Joint Committee Report on Extension Programs Policies and Goals, United States Department of Agriculture and Association of Land-Grant Colleges and Universities (Washington, D. C., August 1948).

⁶ The Cooperative Extension Service Today, Joint Committee on Extension Program Policies and Goals, American Association of Land-Grant Colleges and State Universities and the Federal Extension Service, United States Department of Agriculture (April 1958). A Guide to Extension Programs for the Future, Agricultural Extension Service, North Carolina State College for the various Agricultural Extension Services and the United States Department of Agriculture (July 1959).

Technical production education has been expanded at the same time. The pressure on local county educational programs has been to add to programs rather than to substitute.

All in all, only limited programing in this area and an almost infinitesimal amount of total resources have gone into education to develop informed public opinion and leader education on foreign agricultural policy. But if the job is to be done, the Extension Service probably will have to do it. And, in many ways, the Extension Service is uniquely equipped to do the job.

No other agency for formal or informal adult education has the organizational resources possessed by the Extension Service. In each state, the Extension Service is an arm of a land-grant college or university, with access to an impressive array of the resources of these institutions—including access to almost all of the available knowledge and research on domestic farm problems and foreign agricultural policy. There is access also at these institutions to the kind of educational resources needed for an understanding of the international situation and a program related to and dependent on foreign policy. There is access to both the best knowledge needed in agriculture and the political scientists, sociologists, historians, anthropologists, and others who are experts on the world situation and foreign policy.

The state extension services reach into every rural and urban county in the United States. Each county office has a staff of professional adult educators—in tune with most of the rural leaders in the county and, in many cases, urban leaders as well. The Extension Service has the experience and know-how to organize and conduct effective educational campaigns, using direct teaching, indirect teaching, printed materials, and mass media.

Thus, in part, the Extension Service is well equipped by its organizational and other actual and potential resources to conduct the needed educational program. On the other hand, the strong traditional commitment of resources to technological education, among other factors, inhibits the Extension Service from meeting this new challenge.

WHAT IS REQUIRED?

To the extent that the domestic farm problem is partly one of adjustment to technological progress, the land-grant system and the United States Department of Agriculture may be said to have helped create the problem. Both are deeply concerned at the present time with adjusting their own programs toward more emphasis on facilitating adjustment.

What if the Extension Service were to adopt the broader challenge in the task of integrating domestic farm policy and foreign agricultural policy? If it does, it will probably involve much more than the addition of a new program and a few new specialists. It would involve a completely new orientation. Among the kind of changes, this reorientation would require:

(1) The acceptance of and responsibility for positive leadership on the part of administrators—college and university presidents, deans, directors of extension, and chairmen or heads of departments—who have a contribution to make in

(a) The mobilizing of external support so that the budget for the work can be formal and protected;

(b) The mobilizing of internal support so that an effective program can be developed and implemented;

(c) The organization of necessary administrative, supervisory, service, teaching, research, and extension staff resources; and

(d) The implementation of necessary staff training at the state and local levels.

(2) The development and implementation, with continued administrative leadership, of a program consistent with the nature of the problem and the educational needs of the people to be reached.

(3) The streamlining of traditional programs at both the state and local levels to permit reallocation of resources to the new programs.

(4) Special and determined effort to reach the nonfarm audience.

To reorient the whole program of the Extension Service in this direction will mean accepting the responsibility to go on a new, unfamiliar stage in a new and unscripted role in which the importance of administrative and objective subject-matter leadership cannot be overemphasized. Whether the Extension Service leadership is ready to accept this chal-

lenge remains to be seen. The consequences of the choice may be profound. It may not be possible to have the kind of foreign agricultural policy that the world situation demands from the United States if the Extension Service does not accept this new role.

If the Extension Service elects to continue its traditional job of extending only new farm and home technology and to leave education on adjustment problems and foreign agricultural policy to other institutions and agencies, the Extension Service of necessity probably will fill a declining role in our society. But if it elects to launch out in response to this new challenge, it will have both a new and broader audience and a new reason for existence.

Agricultural Policy, Politics, and the Public Interest

Suggestions for Additional Reading

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ECONOMICS

DENNIS H. ROBERTSON. *Lectures on Economic Principles*. (Vol. III.) Pp. 164. London: Staples Press, 1959. Distributed by John de Graff, New York. \$3.50.

This is the last of three volumes which reproduce a course of lectures that Sir Dennis Robertson delivered at the University of Cambridge prior to his retirement in 1957. Earlier volumes were reviewed in *THE ANNALS* for September 1958, and January 1959, respectively. The third volume deals with money and business cycles. Appendices reproduce addresses to international groups.

The main interest of this volume to American students of the social sciences is likely to be in its demonstration that Keynesianism in the postwar period has not by any means received unqualified acceptance in its home university. This is not to say that Robertson rejects such elements of the Keynesian doctrine as anti-deflation policy pursued through public finance and monetary channels, planning government construction to use public works as counterdepression measures, and the general run of automatic and discretionary controls of the over-all level of business activity. But he has some very critical comments to make.

"I am definitely of opinion," he says, "that in his later work Keynes, while he continued to contribute to, also marred by distortions and exaggerations of various kinds, a fruitful body of doctrine which had been moulded over several decades by many hands." This view Robertson exemplifies in Keynes' dramatization of the contrast between mass unemployment and full employment, which according to Robertson oversimplified the problem of objectives in the 1930's. Robertson criticizes attaching much importance to an ex-post equality of saving and investment when, as Hawtrey pointed out, a distinction might well be made between intended investment and investment which is no more than an unintentional accumulation of unsold goods. Robertson also argues against the Keynesian view that wage reductions necessarily augment rather than lessen the amount of unemployment. He considers the assumption of an "immutable income-consumption function" to be mistaken and is dubious about the mathematical models of the business cycle which have become fashionable in recent years. He thinks that these may point the way to advances in cycle theory but says that they neglect the part played in investment by innovations and discontinuities. The multiplier, Robertson feels, is an "extremely unreliable instrument for short-run or cyclical prediction."

As with the earlier volumes, these lectures contain a great deal in small compass and should interest American teachers as examples of how teaching is conducted in British universities.

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WILLIAM G. BOWEN. *The Wage-Price Issue: A Theoretical Analysis*. Pp. xv, 447. Princeton, N. J.: Princeton University Press, 1960. \$8.50.

The gist of this interesting study can be stated rather simply. In a period of full employment we are confronted with what Paul Samuelson calls "the biggest unsolved economic problem of our time," namely whether there is a built-in inflationary bias in our institutions of wage and price setting. To this question Professor Bowen does not provide a conclusive answer. Instead, he concentrates on the issue of whether the behavior of any particular social group or institution can properly be regarded as the "cause" of inflation and, consequently, be held responsible for it. The reply is in the negative, as may be expected. Certain behavior patterns of the various agents operating on the labor market must coincide with certain policies of the monetary authorities and a failure of the engineers and managers to provide a sufficiently high rate of increase of productivity in order for the wage spiral to arise. Of all of these necessary conditions, none is sufficient by itself to "cause" an inflationary movement. To single out one of these as "responsible" is inadmissible and betrays bias.

These results can be obtained by a rather simple process of analysis. The author, however, provides us with a goodly quantity of further material. This book is divided into five parts. The first presents what Bowen calls the "dilemma model"—the chain of events which imposes upon society a choice between inflation and unemployment. Part II deals with the process of wage determination, one of the key elements in the dilemma model, while the price-setting aspects of the dilemma model are dealt with in Part III of the study. This section includes a discussion of the

cost-plus pricing process, which is rather fair and a useful summary of the literature with some helpful comments of the author. The next part of the book deals with monetary policy: One of the main issues presented is that of the effectiveness of restrictive monetary policy. Part V, finally, presents the conclusions of the author.

One of the most useful contributions of the book is its successful attack upon a classification of types of inflation which has been *en vogue* in the last few years: demand versus cost inflation, buyers versus sellers inflation, spontaneous versus induced inflation, and so forth. A basic difficulty of these classifications is that no practicable way exists by which we can decide how much of any given price increase can be ascribed to either of the two types. The reason is that in many cases, as a result of monopolistic competition, demand and cost schedules are interdependent. Moreover, the term "inflation" covers a multitude of price movements in divergent directions many of which are again interrelated. Finally, neither demand nor cost inflation could persist without the requisite behavior of the monetary authorities.

This review falls far short of a full description of the contents of this exceedingly useful volume. The book is a highly necessary warning against the pitfalls of thinking in large aggregates, indispensable as the latter are on certain levels of abstraction.

ADOLF STURMTHAL

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F. THOMAS JUSTER. *Consumer Expectations, Plans, and Purchases: A Progress Report*. (Occasional Paper 70.) Pp. xviii, 174. New York: National Bureau of Economic Research, 1959. \$2.50.

Expectations about the future can and do influence the present and prospective spending and saving of consumers, and in the aggregate, consumers' decisions can initiate changes in the general level of economic activity. Hence a knowledge of consumers' current attitudes and expectations might provide the policy-making economist with valuable predictions of the

immediate future. The hope of deriving a trustworthy short-run forecasting tool from information supplied by consumers about their plans has inspired a substantial amount of empirical work and some theoretical study of the nature of expectations over the past ten years. Mr. Juster's careful study of the data on buying plans obtained from the membership of Consumers Union late in 1957 and early in 1958 is directed towards the formulation of a theory of data collection on decision-making among consumers. Without such a theoretical frame of reference, empirical work cannot progress beyond the demonstration of a high correlation between changes in consumers' buying plans and subsequent changes in actual purchases over a brief span of years.

Starting with a contingent action view of consumer behavior, the author carried out an empirical examination of the data from the two surveys to ascertain how buying plans are related to expectations about income, prices, and other constraints on expenditures and what kinds of survey questions provide the most reliable information on purchasing decisions. The statistical analysis shows that "definite" plans to buy durable goods within the next six months are more closely related to general expectations and to the financial circumstances of the consumer than plans over a longer time-horizon. The consumers with improved personal situations or with favorable expectations reported more buying plans for the near future than other consumers. These results imply that buying plans for the six months ahead are probably the most trustworthy indicators of future action.

The buying plans for the short run were, however, closely related to consumers' expectations about their financial situation over a much longer period. Optimism about their economic situation as much as five years in the future may account for relatively more buying plans in large part because new homeowners or prospective home buyers purchase and often own more durable goods than established homeowners and renters. The purchase of a home demands assurance of a favorable financial outlook over a longer period than

the purchase of an automobile or of various types of household equipment. The location of new homes in the recent period of metropolitan expansion has made the automobile a primary necessity, and home buyers' plans to buy automobiles are no different than those of other consumers. Buying plans cannot be used with confidence for forecasting purposes without a greater understanding of the nature of consumers' long-run financial expectations and commitments. This progress report on work that is a part of an extensive investigation of expectation data is quite hopeful. The collection of more adequate survey data can provide the basis for tracing the effects of changes in expectations on buying plans and actual purchases. The best information on expectations can be determined experimentally by comparing how well the answers to different types of questions serve as predictions of actual purchases in every situation that could arise.

DOROTHY S. BRADY

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HERBERT V. PROCHNOW. *The Federal Reserve System*. Pp. xiv, 393. New York: Harper & Brothers, 1960. \$6.50.

The Federal Reserve System is a collection of essays by authorities in the field of banking and finance, carefully edited by Herbert V. Prochnow. The authors of the separate chapters have been chosen from financial institutions, the universities, and the Federal Reserve System itself. All of them, by virtue of past experience or close contact, have an intimate knowledge of the System and its problems. In a book containing much detail there are bound to be some overlaps and inconsistencies, but in *The Federal Reserve System* these are at a minimum, and the quality of exposition is generally excellent.

The title of this book recalls an earlier publication of the same name, subtitled, "Its Purposes and Functions." There are few students of economics and finance during the last twenty years who are not familiar with that little paper-bound volume published by the Board of Governors

in three editions between 1939 and 1954. There is a significant difference, however, between the earliest edition, bound in gray, with its mechanical charts and cold tabular material, and the latest edition with its two-color pie charts and modern format. Viewed together with the publications of some of the Federal Reserve Banks, it signals a growing realization of the importance of broad professional and public understanding of the role and activities of the Federal Reserve System and the desirability of "popularizing" its problems.

The Federal Reserve banks have continued to expand their coverage of many aspects of System functions, always reaching for broader audiences. The Board of Governors in Washington, concerned with more delicate policy questions and with communication at a different level, has apparently found it more difficult to do so. However, if the Board has seen fit to forego a new edition of *The Federal Reserve System* or of its 1941 *Banking Studies*, Herbert Prochnow's volume is a worthy substitute. It brings descriptive and historical material up to date, and it continues in the direction pointed by its predecessors—toward greater depth of analysis and greater understandability. This volume does not attempt to "popularize" in the sense of providing a simplification; but it does give the reader a sense of reality that is often missing in treatises on central banking or in official pronouncements. This is accomplished not only through the authors' grasp of the facts and their familiarity with the institutions concerned but also through their willingness, at times, to allow their personal convictions to emerge.

This book will be useful for several types of audiences. For the student in college it will provide an excellent summary of the origins of the Federal Reserve System and its functions and some good, factual background for the study of monetary theory. For the informed business man or professional, it provides a wealth of little-known detail in proper perspective. A lucid explanation of Federal Reserve Bank Statements and an excellent summary of all Federal Reserve Regulations, while available elsewhere in different form, are

most welcome. For the general public and for the legislator it cannot, by itself, bring full understanding, but it can provide good "feel" for the complexities and difficulties as well as the opportunities of monetary management. This volume undoubtedly will become one of the "standards" of the literature of central banking.

DAVID C. MELNICOFF

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JAMES WASHINGTON BELL and WALTER EARL SPAHR (Eds.). *A Proper Monetary and Banking System for the United States*. Pp. viii, 239. New York: Ronald Press, 1960. \$6.00.

This book is a study by a group of conservative economists who were selected by a subcommittee of the Executive Committee of the Economists' National Committee on Monetary Policy to describe accurately "the fundamental errors in principle and practice in our monetary and banking structure" and to offer "specific recommendations for improvement . . . in the interest of the public welfare."

A model bill designed to provide us "with a gold (coin) standard and redeemable currency and to correct other defects in the monetary system" appears early in the text, and the last sentence in the book recommends its enactment. However, the co-authors do not go completely back into history, for they do not advocate the re-appearance of the gold clause contract. "All bonds and other securities issued by the government or private enterprise should be payable in dollars. Such an arrangement permits the debtor to pay in any type of dollars which he finds convenient, and the creditor, if dissatisfied, is free, under a gold standard and redeemable currency system, to convert the dollars received into any type of dollar which he may prefer" (p. 45).

From the political angle it is difficult to believe that the model bill can be adopted in the easily foreseeable future. The last nationally known politician to speak boldly in favor of the pre-New Deal gold standard was Harold Stassen. The monetary aspects of the Roosevelt revolution seem nearly unchanged in even minor details as

far as the law is concerned after almost eight years of traditionally 'sound money' party rule, at least in the eyes of the executive branch of government.

There is a chapter on "A Proper Central Banking System" which contains a recommended rewording of the Title of the Federal Reserve Act designed "to state more fully than is now the case the appropriate purposes of the Federal Reserve System." This would add to the usual purposes of elasticity, rediscounting facility, and more effective supervision other purposes, such as: "to protect the integrity and purchasing power of the United States dollar; to promote profitable production and employment; to facilitate consumption and to foster a high standard of living." Bell thinks that, as a result of the Employment Act of 1946, "Efforts are constantly being made to force the Federal Reserve System under the control (of the Act) and to make the banking system an instrumentality of the government" (pp. 225-226).

Pressures toward the monetization of public debt are deplored. They make the proper role of the central bank more difficult. But in view of the wars and economic convulsions of the incredible past fifty years, how could these pressures have been avoided?

ROBERT ROCKAFELLOW

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EDWARD S. MASON (Ed.). *The Corporation in Modern Society*. Pp. xv, 335. Cambridge, Mass.: Harvard University Press, 1959. \$6.75.

This symposium of fourteen essays attempts to analyze the influence of the corporation on American life. The role of the corporation in the social, economic, and political environments is examined from the viewpoints of lawyers, economists, sociologists, and political scientists. The viewpoint of the businessman or the professional manager is missing.

According to the editor, he has tried to the best of his ability to assemble the ideas of a number of knowledgeable contributors to various aspects of the problems raised by the emergence of the large

corporation in modern society. Among the main questions and issues considered are: To whom are corporate managements responsible, and to what purposes? How much power do large corporations have, and how is this power limited? Who are the managers of large corporations? From what groups do they come, and how are they selected? What effect has the separation of ownership and management had on the meaning and justification of private property?

The effects of the separation of ownership from control on methods of corporate financing and the uses of corporate funds are considered. Evaluation is made of the contribution of the corporation to research and development in the United States. Attention by some of the contributors is given to the nature of the corporation's relationships to its labor force, to its owners, and to its vendors and customers. An assessment is made of the corporation as a form of government; and the role of American corporations overseas is discussed. Included are essays about the nature of the corporation in Great Britain and certain aspects of Soviet industrial organization.

Edward S. Mason, in his editorial introduction, provides the reader with a synopsis of the main points of the fourteen contributors. He organizes the principal questions asked about the present and future impact of the corporate system on society as follows: (1) the problem of legitimacy; (2) the problem of power; (3) the managerial revolution; (4) the changing character of private property; (5) the corporation and the state; and (6) the major contributions of the authors of the essays.

Inasmuch as the book is composed of a collection of essays, different points of view about the corporation are presented. Any reader will find himself both agreeing and disagreeing with the divergent ideas expressed. In a Foreword, Adolf A. Berle, Jr. suggests that the American problems of the latter half of the twentieth century will be as much philosophical as economic. For those who agree, this excellent symposium is recommended.

The authors of the essays have provided a basis for present analysis and further

study of the impact of the corporation on American life.

JOHN F. MEE

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RALPH L. NELSON. *Merger Movements in American Industry 1895-1956*. Pp. xxi, 177. Princeton, N. J.: Princeton University Press, 1959. \$5.00.

This study began as a Columbia University doctoral thesis and was completed at the National Bureau of Economic Research under the direction of Professor George Stigler. It is one of several studies currently under way there on industrial organization. The book deals only with manufacturing and mining mergers and covers primarily the period, 1895-1920. However throughout, and especially in a final chapter, Dr. Nelson ties in his material with Willard Thorp's classic, *Recent Economic Changes, 1919-1928*, subsequently extended by Dr. Thorp and by the Federal Trade Commission. There have been four previous studies on the great merger period, 1898-1903, but none on the "dark age" of 1904-1919. When Dr. Nelson undertook to analyze that neglected era he found the data in the four earlier studies so difficult to use that he pushed his starting date back to 1895. He reworked the sources used by the earlier four, John Moody, Luther Conant, Myron Watkins, and the Census, of which the chief was *The Commercial and Financial Chronicle*, added new cases or dropped old ones not suitable to his tables, and thoroughly reorganized the findings. These appear in 62 Tables in the text, in 23 Appendix Tables, and also, in 6 charts. He devotes an entire chapter and also part of the Appendix to explaining in considerable detail his statistical methods and to justifying the decisions that he had to make where the data were inadequate. This reviewer was impressed by his care and patience and by his ingenuity and good sense in finding new ways of analyzing the data.

There were three great merger movements in modern American economic history, namely those of 1898-1902, 1926-1930, and 1946-56. Each was relatively less important than its predecessor. Dr. Nelson draws a distinction between consolidations, many firms assembled all at once, and acquisitions, a gradual process. Consolidations were more characteristic of the earlier period. He overlooks the fact, it seems, that anti-trust sentiment itself has made consolidations today hazardous. He is also interested in the periods of little merger activity, and he likewise analyzes the movement in terms of industries most affected by mergers. There are indeed very few approaches to his problem that he has overlooked.

For many scholars the most fascinating portion of his study will be his judgment on the four major explanations of the upsurges in mergers, especially of the 1898-1902 one. His data do not sustain Myron Watkins' hypothesis that mergers were devices whereby producers could preserve profits in the face of slackening demand and greater pressure of competition. Nor does he give appreciable credence to the reasoning of Joe Bain that improving transportation brought about national monopolies. He accepts in part only the explanation that by 1900 a large national capital market had developed and was the cause of mergers. The hypothesis that he finds most acceptable is the oldest and simplest of all, namely, that business leaders sought market control and hoped for monopoly profits. In each of these cases his reasoning is skillful and provocative. In an Appendix he draws on H. W. McCrosty's study of the simultaneous British merger movement for further support of his own analysis and conclusions.

In general, Dr. Nelson finds that the peaks and troughs in mergers follow surprisingly closely those of business cycles. Merger upsurges and stock market booms have a close correlation.

DONALD L. KEMMERER

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LEO GREBLER. *Housing Issues in Economic Stabilization Policy*. (Occasional Paper 72.) Pp. xi, 129. New York: National Bureau of Economic Research, 1960. \$1.50.

This monograph is the story of the intricate manipulations of the housing and mortgage markets between 1955 and 1958. It is a tale of governmental intervention through selective housing credit controls fraught with the difficulties of reconciling two broad national objectives—the promotion of stable prosperity and the advancement of better housing. The author of this brilliant piece of economic and political analysis is one of the few persons who truly understands what has been going on. He leads the reader through the maze with a scholarly clarity and a lucid style.

The period between 1955 and 1958 was selected for study because the multiplicity, frequency, and scope of the administrative actions affecting the housing sector of the economy exceeded anything previously experienced. This experience best serves the purpose of the author in evaluating governmental housing credit policies in relation to general economic stabilization policies. For the full perspective, one should first read Professor Grebler's companion piece, *The Role of Federal Credit Aids in Residential Construction* (Occasional Paper 39, National Bureau of Economic Research, 1953) which deals with federal credit aids in their impact on new nonfarm residential construction from 1935 to 1951. In combination, these two Papers recount the economic history of postdepression real estate finance and serve, as no other writings in published form, as a textbook description and a scholarly interpretation.

The first phase of the period covered by this study was one of housing expansion in 1953–1954, “a classic response to easy credit.” In 1955, the overbuilding of the previous year led to a series of selective credit controls to curb the exuberance in the housing sector though, at the same time, clear restraint of the general business boom was delayed until late in the year. In 1956–1957, only a few months after the housing controls became operative, governmental policies shifted to steps to help

check the decline in the supply of funds available for home building and purchase.

Among the imperfections in governmental controls which are revealed are the time lags in giving effect to policy and the frequency of policy shifts. This undue flexibility created uncertainties in an already uncertain milieu and induced successive expansion and contraction in mortgage lending which accentuated fluctuations in residential construction. However, the exceptional volatility of federally assisted construction was not entirely explained by the existence of Federal Housing Administration (FHA) and Veterans Administration (VA) programs and their administration. The author apparently does not see a fundamental conflict between long-range housing goals and basic economic stabilization policy though short-run compromises may be required. Finally, he judges that stability of residential construction independent of general construction and the general economy is an impractical and undesirable objective.

RICHARD U. RATCLIFF

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Economics and the Policy Maker. Brookings Lectures, 1958–1959. Pp. xiii, 209. Washington, D. C.: Brookings Institution, 1959. \$2.95.

The eight essays contained in this slim volume are the Brookings Lectures for 1958–59. The lectures were addressed to “professional specialists and public officials” and were “designed to present a review of the uses of economics by policy makers in the conduct of public and private affairs.” The lectures I enjoyed most were those by Sidney Alexander, Mark Massel, and Louis Shere although neither these nor the other lectures contain particularly new insights or particularly fresh approaches. But to expect these in a series of semipopular lectures would be unrealistic. The five-page Foreword by Robert D. Calkins summarizes the volume adequately.

JOHN A. BUTTRICK

Associate Professor of Economics
University of Minnesota

SOCIOLOGY AND EDUCATION

SEYMOUR MARTIN LIPSET. *Political Man: The Social Bases of Politics*. Pp. 432. Garden City, N. Y.: Doubleday & Company, 1960. \$4.95.

Professor Lipset, a sociologist at the University of California in Berkeley, addresses himself to various audiences, ranging from innocent laymen to "hardboiled" practitioners, for whom he provides abundant Footnotes and methodological asides, and to a wide variety of topics as these are exhibited in a wide variety of countries—the United States, Canada, Western Europe, Japan. His quotations extend from Aristotle to Talcott Parsons, from classic treatises to obscure monographs. He deals with the broad sociology of politics; with class structures and other factors as they affect the growth and problems of party systems; with the reasons why people vote—or fail to vote—as they do; with the particular niceties of the American political scene, including the behavior of the American intellectual; and with the politics of "private government" as this is illustrated within the trade-union movement. The result is not an easy book. The component chapters do not always form an integrated whole. Some of Professor Lipset's generalizations are, inevitably, so general that they seem either truisms or else too slippery to grasp. His historical account of American political parties is open to objection.

But if these are faults; they are admirable ones. *Political Man* is a remarkable book, with more ideas in it than are to be found in a dozen orthodox academic treatises. While specialists may quarrel with him on points of detail, few if any living scholars in the social sciences can match him in intellectual energy or in width of allusion. Like many contemporary sociologists, he is interested in consensus, mass culture, anomie, the end of ideology, and so on. But on all these somewhat hackneyed themes of our time he has something fresh to say or to suggest. He manages to avoid being trapped by the conventional originalities, such as today's novelties are tomorrow's banalities, and he

is neither "liberal" nor "conservative," nor yet again clinically detached. Thus, he notes that democracies which have two-party systems depend upon something very close to consensus. Too much vitality is a sign of too much dissension; apathy among voters may be a healthy rather than an alarming symptom. American economic mobility is actually no greater than that of other industrial societies such as Britain and West Germany, though the belief in greater mobility is an important element. American intellectuals have a far higher status than is commonly recognized: again, their belief in their own lowliness is an interesting feature. On these and many other aspects of political man, Professor Lipset speculates brilliantly. His book does far more to indicate the vigor of democratic communities than do any of the spate of current works which are overtly designed to laud the democratic way and purpose.

MARCUS CUNLIFFE

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and Institutions
University of Manchester

ELI GINZBERG (Ed.). *The Nation's Children*, Vol. I: *The Family and Social Change*. Pp. xvii, 252. New York: Columbia University Press, 1960. \$4.50.

ELI GINZBERG (Ed.). *The Nation's Children*, Vol. II: *Development and Education*. Pp. xvi, 242. New York: Columbia University Press, 1960. \$4.50.

ELI GINZBERG (Ed.). *The Nation's Children*, Vol. III: *Problems and Prospects*. Pp. xvi, 242. New York: Columbia University Press, 1960. \$4.50.

These three volumes constitute the working papers for the Golden Anniversary White House Conference for Children and Youth held in Washington, D. C., in the spring of 1960. At the request of the Steering Committee of the Committee on Studies, thirty-four writers in education, religion, medicine, psychology, business, social work, economics, and anthropology contributed thirty-one chapters, to which Eli Ginzberg added editorial introductions. Lists of suggested reading to supplement

each chapter are appended to all three volumes.

The two-fold purpose of the papers, directed to the educated layman rather than to the specialist, was not to present original research but to (1) "help to outline the major developments in the field of children and youth since the 1950 Conference" and (2) "provide a basis for charting directions for the next decade."

The first of these purposes is certainly achieved. The papers devoted to stating major developments are so well done they need little comment. They succeed admirably in revealing the nature of the demographic, industrial, and institutional changes which have transformed our society in this century. Nowhere outside of textbooks has so much pertinent material been brought together and presented so simply and well.

Whether or not the second purpose—provision of a basis for charting directions for the next decade—is achieved will not be determinable until the decade runs its course.

The reported dissension in the Conference with respect to resolutions supporting the Southern student auditors suggests, in the first place, that the direction charted by the Conference was not clear-cut. Furthermore, there will certainly be loud laments from opponents of "the welfare state" over Eveline M. Burns' relentlessly logical statement of the case for improved provision for children by the government. These same people may protest also against the increasing burden of voluntary welfare services to children proposed by Elizabeth Wickenden.

Ginzberg was at some pains to reconcile relatively minor differences in figures of average family income used by different authors. He makes no attempt to reconcile more fundamental differences, such as those between the paper by representatives of three major religious faiths and the paper by Norman Cousins. Cousins, with his usual eloquence, attacks precisely the parochialism represented by the religious writers. Cousins urges us to stop thinking in terms of East and West, assuming that each is an entity. He wants us to think in terms of loyalty to the human common-

wealth, which he sees in no way as a threat to loyalty to one's own country. The three religious leaders still think in terms of America's "mission to the world"—a mission which many peoples of the world have come to resent.

At the risk of being invidious, the following statements are presented as among the many useful guidelines for charting future directions: "could we but give to every child in the land the same opportunities for intellectual stimulation now enjoyed by the children of professional, technical, and kindred workers, we could increase our 'talent pool' fivefold" (2, 133); "... the most important single clue to the quality of change in the Negro family and in the Negro community is found in the job picture, particularly for the male" (1, 136); "... farm-reared youth who migrate to cities are relatively unsuccessful..." (3, 36); "A Southern white man who recently returned to the South after eight years in other parts of the world said that the most startling change he noticed was that 'Negroes look you straight in the eye now'" (3, 74). There are many others, stark and challenging.

But knowing trends, amassing facts, summarizing developments are not enough. "... effective development of publicly [and privately] provided goods and services... will depend upon... how much people care about the well-being of children and families..." (3, 179). And, as Nelson Foote points out, no one who has ever agitated for school bonds would ever assume that people do care enough (3, 1-2). In any event, the major developments of the past decade have been ably traced; they can provide a basis for charting future developments. It is now a problem of strategy.

JESSIE BERNARD

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LEE RAINWATER with the assistance of KAROL KANE WEINSTEIN. *And the Poor Get Children: Sex Contraception and Family Planning in the Working Class*. Pp. xiv, 202. Chicago: Quadrangle Books, 1960. \$3.95.

There is amusing irony in the observation that sex has something to do with contraception and that it can be regarded as a new if not profound insight into the causal system underlying the use, regularity, and effectiveness of contraceptive practice. J. Mayone Stycos pointedly reminds us in the Preface to this volume that sex has been almost totally ignored in fertility research. Although his claims are somewhat exaggerated, the criticism is well taken and provides an appropriate introduction to the work of Rainwater and Weinstein which was sponsored by the Planned Parenthood Federation of America and represents the first of a series of "Social Research Studies in Contemporary Life" edited by Burleigh Gardner.

The study is described as a "pilot investigation of the psychosocial factors involved in family planning and contraceptive practices by working class men and women." The data are from interviews conducted with a quota sample of forty-six married men and 50 married women drawn from the working classes in Chicago and Cincinnati. The analysis and presentation take the form of developing typologies of "upper lower and lower lower class" contraceptive and sexual behavior, replete with numerous verbatim quotations from the interviews, occasional statistical estimates of prevalence, completely inappropriate considering the nature of the sample, and most importantly the deduction of provocative hypotheses and speculations.

A considerable number of these deductions are worth taking seriously such as religious belief seems more to disorganize efforts at contraception than to prevent them completely. The implication that lower class males are less concerned with contraceptive responsibility and are less interested in their wives' sexual sensitivities than middle class males seems worth investigating in connection with contraception. The authors seem to exhibit considerable insight into the culture of the lower classes relevant to contraception. Their account of the value systems of fatalism, wishfulness, and luck seems particularly relevant for understanding contraceptive behavior.

Other factors are also enumerated which

if true in any important statistical sense would be quite pertinent to an explanation of contraceptive behavior. The amount of premarital ignorance about sex, conception, and contraception is one such factor. The woman's apparent concern about fecundity as it relates to her perception of the adult female role is another. The significance of sexual conflict for contraception effectiveness is still another. The authors also include some very neat social psychological analyses of the perceptions of familial roles, self-images, and male and female perceptions of sexuality, all within the context of lower-class culture.

This book should be read by anyone doing research in contraception of the social psychological aspects of fertility because it is rich in suggestions for research. Stycos most appropriately concludes his Preface with the hope that "the present investigation will not be interred in the ever-expanding graveyard of 'exploratory studies' whose tantalizing hypotheses are indefinitely left in limbo." And let the readers remember that this research has no empirical basis whatsoever for estimating the prevalence of any characteristic or evaluating the validity of any proposition.

One general question seems in order, and that is the significance for understanding differential fertility in contemporary American society of research organized around the class dimension when it is clear that class is rapidly diminishing in significance for fertility. At the moment—and this generalization is supported by two recent large-scale studies of fertility—religion is far more important than class in the determination of fertility and contraceptive practice. This in no way, of course, compromises the importance of this work for the interests of the Planned Parenthood Federation.

CHARLES F. WESTOFF

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WILLIAM H. NICHOLLS. *Southern Tradition and Regional Progress*. Pp. xviii, 202. Chapel Hill: University of North Carolina Press, 1960. \$5.00.

The author of this book, an economist, through the use mainly of secondary

sources, has examined the factors in the shaping of Southern attitudes and policies in relationship to economic progress. He emphasizes the persistence of the agrarian idea; the creation of a Black Belt aristocracy with political power out of proportion to its numbers; the lack of an adequate sense of social responsibility in respect to matters intellectual and economic; and a strong tendency to conformity of thought and action, especially in relation to the race question.

The author considers acceleration of urbanization and industrialization essential to increasing progress of the South. City population is regarded as more progressive and tolerant than rural elements. Inequitable representation in state legislatures, a condition not peculiar to the South, should be rectified so that urban sentiment will not be unduly hampered by rural strength. There is suggested an economic program, fostered in part by the states and in part by the federal government, to correct the economic ills of the region, particularly those that retard small and middle class farmers.

Professor Nicholls concludes that the race tradition of the South is its greatest barrier to progress. He is alarmed at the possibility that the integration controversy may result in partial abandonment of the public school system, a step which he feels would lead to deterioration in education and probably would produce adverse effects upon industrial development. This alarm, which many share, and the author's sympathy with integration are, however, factors which seemingly have helped make his appraisal of Southern education, especially since the Civil War, the least satisfactory part of his book. The treatment is flimsy; neither the difficulties encountered nor the relative advances made in the field of education are adequately emphasized, while the persistence of the private school idea, with its alleged relevancy to the integration question, is overemphasized. Whatever may be said in condemnation or praise of segregationists, this reviewer feels that sentiment for private schools is the least significant factor in motivating their stand.

Conformity of thought is represented as one of the main aspects of the Southern

tradition, but, excepting his demonstration of general conformity on the race question, the author leaves the reader somewhat confused as to the extent of this principle (pp. 23, 135-140, 145). Whatever its shortcomings, this book, written avowedly for a purpose, follows closely its central theme and is, on the whole, suggestive and thought provoking.

HENRY H. SIMMS

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MYRON LIEBERMAN. *The Future of Public Education*. Pp. ix, 294. Chicago: University of Chicago Press, 1960. \$5.00.

According to the description on the jacket, this book is "the most provocative book about the subject (the public schools) in years." This is a rather extravagant statement but not without precedent in the long history of publishers. That the author does launch an informed attack on almost every aspect of public education is true. But whether he will succeed in provoking counterattacks remains to be seen. Perhaps his object is merely to provoke thought on the part of his readers. This, in the opinion of the present reviewer, he has accomplished.

In his opening paragraph the author dissociates himself from all contemporary movements, theories, and personalities. In this sense he pursues a policy of "neutrality" among the contending parties. He declares flatly that he is not "an advocate of basic education, progressive education, the three R's, social adjustment, or stricter discipline." At the same time he endeavors to demonstrate that each and all of these approaches fail to go to the root of the problem of raising the level of instruction in our public schools. That root, he contends, is to be found in the broad framework of our educational system and, more particularly, in its "power structure" which is "anachronistic and dysfunctional."

The author predicts a profound revolution in this realm during the coming generation—a revolution which already is long overdue. The foundations of the system under which we now operate, he observes, were laid in our early agrarian society with

its great distances, its primitive means of communication, and its relatively self-contained neighborhoods and communities. It was in this society that our tradition of local control and the untrained teacher was developed. Now we live in a closely integrated society marked by fabulous mobility and close interdependence from border to border. Education consequently has become, not only an essential national concern, but also, a vast enterprise on which the welfare of the nation rests.

In this brief review it is possible to mention only the two most basic theses of the book. The first is that the weakness of the public school derives from the system of local and even state control. There is little chance of improvement until the nation as a whole, by means of appropriate instrumentalities, assumes major responsibility for the support and direction of public education. The second thesis pertains to the role of the teaching profession. Only through a powerful organization of teachers can the necessary reforms be achieved. The profession must lead the way and guard jealously its rights and responsibilities. The role of the citizens should be strictly limited to the setting of the great goals and purposes of education. The determination of the means for achieving these goals and purposes is a purely professional task and should be left entirely to the teachers. These are truly provocative theses and should stimulate wide and thoughtful discussion of "the future of public education" in the United States.

GEORGE S. COUNTS

New Hope, Pa.

MARJORIE FISKE. *Book Selection and Censorship: A Study of School and Public Libraries in California*. Pp. ix, 145. Berkeley and Los Angeles: University of California Press, 1959. \$3.75.

Research for this study was undertaken during the years 1956-58 on a grant from the Fund for the Republic. Focusing on the source of library censorship, self-imposed or originating outside the institution, it sheds light as well on professional attitudes and behavior in the school and in the

community. Impetus for the study came from concern over pressures for the removal or restricted circulation of specific titles and general subject matter on the shelves of public and school libraries in California over a period of several years. The field work centered on twenty-six communities whose libraries serve the majority of the state's population. About 300 persons were interviewed in the course of the study.

The first chapter consists of an analysis of book selection practices, which were frequently found to be at variance with professional theory and established standards. The need for reliable methods of determining community needs and interests as a guide to book selection was noted, as was the absence of systematic efforts at qualitative appraisal and balance of subject matter. In school libraries varying degrees of deference to administrative personnel were observed.

Sources of censorship pressure were examined with the conclusion that individuals apparently acting independently have been more vigorous and persistent than the religious organizations and community groups which are popularly supposed to be sources of criticism of library policy. The most successful means of meeting attacks on library book selection policies at present seems to be affirmation of existing policies and support by the local press. Severe cases of controversy may lead to a habit of self-imposed censorship. However, where the library and its personnel enjoy a favorable status in the community greater freedom of book selection is exercised.

Many avenues worthy of further investigation are opened up by this very tentative survey. The entire study is more valuable as a challenge to further research than it is for its conclusions. The latter are based on such a limited geographical area that they cannot be accepted as typical of the climate of book selection in the United States. The value of the study lies in its examination of several cases of censorship and of the opinions and practices of numerous librarians and school administrators on the subject of actual or possible attacks on their policies.

This volume should be in the office of

every head librarian and school administrator. It should stimulate further research into the character of the library as a public institution. Aspects of the problem particularly deserving of attention are the public image of the library and the status of the librarian, criteria for book selection, the personnel shortage in libraries, factors influencing financial support of libraries, and administrative problems of school libraries.

MARGARET A. KATELEY

Librarian
Scarsdale Public Library

EZRA SOLOMON and ZARKO G. BILBIJA.
Metropolitan Chicago: An Economic Analysis. Pp. xix, 208. Glencoe, Ill.: Free Press, 1960. \$7.50.

This study is a cameo of the Chicago metropolitan economy—carefully cut and delicately contrived. Like any cameo it provides a miniaturized and restricted view, in which lies much of its charm and interest. Yet in this case we lose too much of the full profile from concentrating on what might be likened to, say, the lips and chin of a famous beauty.

Lest this criticism be taken too far amiss, let us at once describe what the authors have most admirably succeeded in doing.

Making use of what are in the main readily available data for most of the larger and some of the smaller metropolitan areas, and adjusting data which were not so readily available, they have outlined the salient features of the development of this metropolis. This outline is the most detailed and vivid over the past decade, and this sharper focus is due almost entirely to the very substantial improvement of small-area data during this time. Similarly, the outline is clearest in relation to those magnitudes which are most closely related, as was the authors' intention, to the nationally important accounting of: "employment, output, income, and saving" (pp. 4-5).

The choice of and focus on these particular magnitudes constitute both the strength and the weakness of this work. What the authors have done here is a model of clar-

ity and completeness which is within the grasp of analysts working in perhaps fifty standard metropolitan areas. It makes full use of recent advances in data collection. It is geared to the now-familiar quantities of national accounting and is therefore readily comprehensible to the educated lay reader. It provides an historical perspective, it relates the Chicago economy and its growth to that of the national economy, and within these broad sweeps it provides many valuable insights. To many, including perhaps your reviewer, one could wisely say: "Go thou and do likewise."

Yet for all of these virtues, there remains an unsatisfying sense of lack of fulfillment, which may stem from the somewhat overambitious claims of the authors in relation to their total achievement. Thus, a certain novelty is claimed: "It is only in the past few years that economic analysis as such has been applied to the systematic measurement and interpretation of metropolitan economies as individual entities;" and "... the economic aspects of local area analysis have been invariably treated as subsidiary" (by a number of other disciplines and interest groups). The present work still falls short of an economic analysis in the most general sense and is more nearly a sound exercise in statistics; still worse, it displays not much if any more sophistication than some of the preceding literature with which the authors have apparently a "too-rapidly-passing" acquaintance.

It is quite true that economic analysis has much to offer to local area analysis. It is true that consistency with national accounts is desirable. It is true that available statistics permit increasingly detailed study. But both other economists and members of lesser breeds such as urban geographers and planners have discussed with more penetration the primary role of trade relations in the growth of local areas, thus indicating the greater relevance of international trade theory than the theory of national accounts to the problems in hand. A pursuit of these problems leads as well into delicate matters of industrial location and of urban function, in part as measured by nonmanufacturing employment, and in all three realms the problems of data col-

lection and analysis are most serious. At this level of maturity, metropolitan economic analysis is neither simple nor inexpensive.

Metropolitan Chicago should therefore be taken gladly and studied well for what it is, rather than for what it professes to achieve.

BRITTON HARRIS

Institute for Urban Studies
University of Pennsylvania

CHESTER RAPKIN and WILLIAM G. GRIGSBY.
Residential Renewal in the Urban Core: An Analysis of the Demand for Housing in Center City Philadelphia, 1957-1970 with Reference to the Washington Square East Redevelopment Area. Pp. 131. Philadelphia: University of Pennsylvania Press, 1960. \$3.75.

Residential Renewal in the Urban Core by Chester Rapkin and William G. Grigsby deals with a question of urgent importance to most large American cities: "Can middle and upper income families be induced to return to the center of the city to live?" It was prepared for the Philadelphia Redevelopment Authority under contract to provide a basis for determining the marketability of proposed apartment towers and of rehabilitated houses in a run-down but historical section of Old Philadelphia.

Fine techniques were developed by the authors for relating the area market problems to the projected metropolitan housing demand, and the derivation of the results was presented with such clarity and supported by such an amplitude of summary tables that the reader has little difficulty in following the entire process, and may add interpretation of his own. Because of this, the report is an important contribution to the field.

As advice to potential investors, the basic purpose for which the study was made, the report is cautious and conservative, stressing possible pitfalls and difficulties but still sufficiently positive to have inspired the developers to proceed with plans to spend \$40,000,000 in the area for residential development. Within this context, the report is a success.

However, the publication and wide dis-

tribution of this report place it in an entirely different frame of reference. The issue shifts from the immediate investment decisions to the long-range effect on the development of American cities. Here the problem, often found in books on this subject, is the intermixture of statistical fact and subjective judgment and the danger of confusion between the two, giving the personal bias of the authors disproportionate significance.

The basic technique used in the study is to project, by highly developed statistical means, the total metropolitan area demand for housing and then to estimate the portion of this that will be satisfied in a specific area. Here a critical element is the changing preferences of the people. The statistical projections flow logically out of statistical trends but the shifts in preference have little basis in documentation, and are not supported by the kind of research which reveals emergent trends not yet generally evident. This is particularly significant because of the assumption of the authors that center city is not a suitable environment in which to rear children.

This issue of whether or not families with children will live in center city is important because it will have a major bearing on whether the new generation will include leaders familiar from childhood with urban life and urban problems. The implication drawn by the authors from their study that "it is not likely that the number of families with youngsters will increase materially in center city" is a point of view not directly derived from the statistics nor supported by research of a scope sufficient to justify it. Because the book is surrounded by excellent statistical material, it assumes an aura of authority that it does not deserve and so contributes to its own fulfillment.

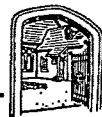
History will determine whether the projections of this book are correct or whether there are dynamic emergent factors not taken into account which will draw people, even including children, to the centers of our urban civilization.

EDMUND N. BACON

Executive Director
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EDGAR M. HOOVER and RAYMOND VERNON.
Anatomy of a Metropolis: The Changing Distribution of People and Jobs Within the New York Metropolitan Area.
 Pp. xvi, 345. Cambridge, Mass.: Harvard University Press, 1959. \$6.00.

The problem of metropolitan areas has been called the "number one domestic challenge" in the area of government today. We have made relatively little headway with this problem partly because the public, whose support is needed for effective solutions, does not yet understand the need for remedial action and partly because the specific information required by specialists to devise new forms of local co-operation has been largely lacking. *Anatomy of a Metropolis* is the introductory volume in a series on the New York Metropolitan region, which represents the first full-scale scholarly effort to reveal to the public the need for area-wide planning and to provide the specialized information on which such planning must be based.

The series was sponsored by the Regional Plan Association, an early pioneer in metropolitan planning, and conducted by the Harvard Graduate School of Public Administration. Three years of intensive research and planning by a special staff, sparked by Harvard faculty seminars and assisted by a distinguished advisory committee, preceded the publication of this volume.

Anatomy of a Metropolis was written by Raymond Vernon, Director of the Metropolitan Region Study, and Edgar M. Hoover, Professor of Economics at the University of Pittsburgh, aided by specialists who did the spade work. It analyzes the vast shifts in population, employment, and housing that have recently taken place in the twenty-two countries that comprise the New York Metropolitan Region and attempts to project future changes for a quarter of a century.

Its most dramatic finding is that in the next quarter of a century the region's "central core," New York City proper, will experience a decline in jobs, business, and people. This decline in jobs will come because assembly-line plants like automobile or airplane factories must be built along horizontal lines. However, in activities

permitting vertical expansion in skyscrapers or requiring a great diversity of professional or trade services the city will continue to grow. By the same token, population in Manhattan and its traditional "bedroom" boroughs will thin out, while the "grey areas" of slums and blight will spread. At the same time, manufacturing and population will mushroom in suburbia and exurbia.

The New York Metropolitan area contains the greatest aggregate of people, jobs, and wealth in the United States, but the changes described in this volume typify those in metropolitan areas throughout the nation. Indeed, preliminary data from the census of 1960 are confirming the trends foreshadowed in this study, not only in the region it describes but also in the rest of the country. That is why this valuable work, embodying the best thinking of experts in many areas, will serve as a model for metropolitan surveys for a long time to come.

FREDERICK SHAW

Research Associate
 Board of Education of the City
 of New York

LOIS MACDONALD with the assistance of
 MURRAY B. NESBITT, PETER F. FREUND,
 and SAMUEL N. SEIDMAN. *Leadership Dynamics and the Trade-Union Leader.*
 Pp. xi, 156. New York: New York University Press, 1959. \$2.50.

Business, voluntary organizations such as the Red Cross and the Boy Scout movement, as well as the civilian and military branches of government, have paid increasing attention—financial and otherwise—to the torrent of research reports emanating from social psychologists and sociologists concerned with the study of small groups, leadership, and bureaucracy. Labor unions, on the other hand, have for the most part ignored this kind of material or have been downright hostile to it.

The authors of this book set themselves the exceedingly difficult task of ordering the findings of these reports to determine whether or not they might not after all have usable implications for the problems which the labor movement faces today.

Chapter I of the book, therefore, sets the stage by describing these problems: the change from organizing and recruiting members to administering contracts; the oligarchic tendencies which seem inevitably to accompany the increasing size and complexity of the labor movement; and the expansion of union activities into the political and other fields. Chapters II and III survey the findings of social psychologists and sociologists respectively; Chapter IV covers the relatively few studies of leadership actually undertaken in unions; and Chapter V summarizes.

The authors' attitude toward the products of the "behavioral scientists" is a sense of exasperation mingled with continued hope. In this they seem to mirror accurately views which are today quite frequent among economists, political scientists, and other representatives of the older social sciences. Militating against the likelihood that the behavioral scientists' material is applicable is its internal lack of agreement and conclusiveness; its preoccupation with method as against content; and the fact that the settings in which findings have been obtained range from the unrealistic, *ad hoc* student groups, to the noncomparable, leadership in the military. Yet the authors—and they are not alone—are loth to write off these findings altogether. These studies are, after all, the only massive body of empirical findings on leadership and administration that even attempt to be additive. How, without making the attempt empirically rather than on an *a priori* basis, can one be sure that leadership even in student groups may not bear similarities to leadership in more serious situations? The authors' judgment is therefore poised in the middle and, being of necessity an *a priori* judgment, it cannot be anything else.

This reviewer wonders whether the authors' condensation of the various fields they have tackled, heroic effort though it was, will be meaningful to all but a few of the outsiders for whom it is intended. From the insider's point of view there will be questions concerning the organization of the material—the subdivisions of the social psychology chapter, for instance, are by research group rather than by underlying

concept, and therefore are confusing to the reader—and there will also be questions on matters of fact. But given the difficulty of the task and barring a great deal more time, it is doubtful that others could have compiled a much better book.

HENRY A. LANDSBERGER

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New York State School of Industrial
and Labor Relations
Cornell University

CHARLES H. LANGE. *Cochiti: A New Mexico Pueblo, Past and Present*. Pp. xxiv, 618. Austin: University of Texas Press, 1959. \$10.00.

This study is outstanding in its workmanship and in its comprehensiveness. With scrupulous attention to detail, Dr. Lange has integrated the results of his own field work with almost all published information on Cochiti. He has also ransacked manuscript sources in Santa Fe, Albuquerque, and Philadelphia and examined collections of photographs in Los Angeles, Washington, New York, and Denver. To an extent which few anthropologists have equaled he has combined the skills of the archivist and historian with those of the fieldworker. The product has a satisfying firmness of documentation and a constant dimension of time perspective.

The book begins with a succinct survey of the environmental setting. There follows a more extended account of the prehistory and history of the Pueblo. The economic base and subsistence are next considered. The chapter on political organization encompasses only some thirty-five pages, but the very interesting phenomenon of factionalism is treated in many different contexts in the volume. Indeed no description of Pueblo life can fail to discuss "politics" under the headings of religion and social organization as well as when devoted to government as such.

It has become customary, rightly or wrongly, for anthropologists in writing about Pueblo cultures to give the most extended scope to religion. Lange is no exception. But his chapters and sections on ceremonial organization, cosmology, witchcraft, medicine and secret societies.

ceremonial calendar, and paraphernalia are remarkable for their rich specificity. The reader learns which identified persons danced in what order, exactly how they were costumed, and the like. Lange critically relates his own interviews and observations to reports in the literature.

The chapters on social organization and life cycle contain good material but are somewhat less full-bodied, and the handling is more conventional. The forty-two Appendices contributed by Lange are models of reporting the minutiae of demography, kinship, art and material culture, and so forth in such a way that the specialist can both check generalizations in the body of the text and also utilize the raw data for different kinds of analyses. The Appendix by Gertrude Kurath on choreographies and songs is excellent, though highly technical. The final Appendix by Robin Fox on linguistics is cautious, tentative, but highly sophisticated.

One may regret that Professor Lange has not permitted himself more interpretations and a concluding chapter which was generalizing and perhaps comparative. Perhaps this will follow in another book. In any event one should not cavil at an author for what he has deliberately not decided to do. This is intended as a descriptive study, and it is a fine one. The inevitable limitations of time and of the skills that a single fieldworker can control mean that some topics are neglected—as Lange himself recognizes. This reviewer could wish that the author had given more amplitude to the presentation of his field methods. The work extended from 1946 to 1952 with subsequent trips in 1957 and 1958—the data from which were not fully incorporated in this volume. But so many visits to a single community must have inspired some reflections on changing contexts through time and with cumulative experience. Finally, it is regrettable that all Cochiti terms as recorded by Lange, Kurath, and Fox were not reduced to the same phonetic alphabet.

These, however, are minor strictures. This is a serious, honest book which adds greatly to our knowledge of the Southwest and which sets high standards of recording,

synthesis, and presentation. It deserves the handsome job of bookmaking which the University of Texas Press has provided.

CLYDE KLUCKHOHN

Professor of Anthropology
Harvard University

EDWIN J. THOMAS, DONNA L. McLEOD in collaboration with PAULINE BUSHEY and LYDIA F. HYLTON. *In-Service Training and Reduced Workloads: Experiments in a State Department of Welfare*. Pp. 130. New York: Russell Sage Foundation, 1960. \$2.50.

This monograph is a timely publication. Since it presents the findings of an evaluative study in which social workers and social scientists participated, it illustrates a newly developing method of collaboration between these two professions. It is of interest to those concerned with social welfare in general as it confirms the feasibility of experimental studies in a state department of welfare and provides new data concerning the Aid to Dependent Children (ADC) Program, a program of increasing concern to professional social workers, to legislators, and to the public.

The project evaluates the usefulness of in-service training and reduced workloads for the ADC program in certain counties in Michigan. Two separate experiments were conducted, each covering a time span of one year. In each the "effects of reduced workloads as well as of training were independently assessed" to determine if such aids help to forward the purposes of the 1956 Amendments of the Social Security Act related to non-financial services, that is to "help maintain and strengthen family life." In one experiment a training supervisor, a member of the research group, trained personnel directly responsible for services to ADC recipients while in the second experiment the same training supervisor provided training for a group of supervisors who then transmitted this knowledge to the welfare workers. Within this framework several control groups were established: some workers received the training as well as a reduction in caseload; others received only training; a third group

utilized certain administrative devices designed to save time. There was also a "no change" group. An elaborate plan of objective tests, questionnaires, and an "experimental" interview involving the use of an actress was utilized in evaluating how much the workers changed in knowledge and performance. Comparisons were made among the various control groups.

Most of the verified results are what a professionally trained social worker might have anticipated. For example, the workers changed more in terms of knowledge than in actual performance. In future studies it would be interesting to see if the addition of supervision in application of casework principles with the recipients—the workers only received continued supervision on administrative and eligibility content—might contribute to improved performance. One puzzling finding is that workers trained by the agency supervisors "changed" more than did the supervisors themselves. Although it is suggested that there was some shift in the focus of the training program for the latter group this does not seem a sufficient explanation. A major conclusion that will be supported wholeheartedly by those concerned with the public social services is "if the rehabilitative objectives of the 1956 Amendments of the Social Security Act are to be realized . . . it seems apparent that long, intensive on the job training will have to be given along with much smaller caseloads."

Of particular significance to administrators of public programs is the conclusion that training alone is not so helpful in improving the quality of service as a reduction in caseload which permits the "opportunity for frequent family contact."

The material is presented in a clear, orderly, readable style and while it in essence presents nothing startlingly new, it is probably indicative of a trend in social welfare and in social work, that is, the verification through the application of social science research methods of clinical data long recognized by trained practitioners. The authors present their methods and findings in detail and are modest in their presentation. While one can take minor exception to certain parts of the material—for example, "casework" is never

clearly defined—it is a useful contribution to the goal of improving services in the ADC program. The training program content which is fully outlined in the Appendix could be of great value to those responsible for the training of public welfare personnel. It is to be hoped that the factual verification of the need for both training and reduced caseloads will be of assistance to administrators in providing the skilled services needed by the 2.2 million children and their families presently receiving Aid for Dependent Children.

HELEN PINKUS

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Smith College School
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PHILOSOPHY AND RELIGION

JOHN WILD. *Human Freedom and Social Order: An Essay in Christian Philosophy*. Pp. xi, 250. Durham, N. C.: Duke University Press for the Lilly Endowment Program in Christianity and Politics, 1959. \$5.00.

This is an original and challenging book devoted to the problem of the meaning of human existence and freedom from the perspective of a Christian, existential philosophy. In the course of his devastating attack on the rationalism and humanism which stems from classical Greek thought, Professor Wild is led to question the major theses of the realistic philosophy which he himself had advocated so persuasively in his earlier works. Since the publication of his *The Challenge of Existentialism* (1955) he has undergone a thorough conversion to the existentialist mode of thinking and in the present work finds himself completely disillusioned with the claims of traditional, rationalist philosophy that human reason is capable of providing universal, objective knowledge of nature, God, and man. According to the author, an authentic Christian philosophy based on an adequate synthesis of reason and faith has not yet been achieved by either Augustinians or Thomists. This essay is viewed as an attempt to present the outlines and conditions of such a synthesis.

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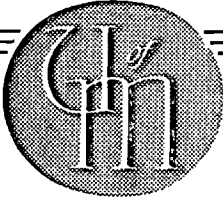
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*According to Wild, the rediscovery by Husserl and Heidegger of the concept of the *Lebenswelt*, translated as "the world of lived experience," is the most noteworthy philosophical achievement of our time (p. 90). Henceforth the primary function of philosophy is the clarification, through phenomenological analysis, of the structures of this human world and of the philosophic categories necessary for its comprehension. Since the basic assumptions of philosophic analysis are not demonstrated by any available evidence, the philosopher must seek the aid of faith to provide a "guiding image" for his formulations. Reason, in the sense of exact understanding, and faith, as exemplified through what Paul Tillich has called "ultimate concern," are autonomous and independent of each other and, at the same time, dependent on each other. Faith and reason are said to be in a state of "dialectical tension" (p. 87). There is no pre-established harmony between faith and reason, and a special decision is required in each instance to establish which element shall prevail. The Christian philosopher will utilize Christian revelation as his guiding image of faith but will not feel bound to accept any dogmatic or absolute interpretation of his faith. For Wild, no one philosophical conception of the *Lebenswelt* is final because our human truth grows and declines with historic experience. Hence an authentic Christian ethic is not based on the humanistic assumption of a fixed human nature and a prescribed form of self-realization, as classical theology tends to assume. Christian ethic is based on faith in the disciplined expression of freedom and on man's capacity for self-transcendence (p. 180).

Human Freedom and the Social Order merits serious consideration for its fresh examination and appraisal of controversial philosophical and theological problems. In spite of the author's assurance, this reviewer has serious misgivings concerning his uncompromising attack on classical, rationalistic thought and his relativistic evaluation of human reason. Nevertheless, I find myself in sympathy with his ultimate concern that philosophical thought be made

relevant to the imperatives of human existence.

DAVID BIDNEY

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ROBERT O. BYRD. *Quaker Ways in Foreign Policy*. Pp. xxi, 230. Toronto: University of Toronto Press, 1960. \$5.00.

This book shows clearly and adequately that the Society of Friends or Quakers has for three centuries had a fairly consistent foreign policy based on a coherent theory regarding the nature of man and the universe. It also shows how this policy has been expressed and sometimes implemented through petitions, letters, and deputations to governments and through a variety of activities both educational and in the field of practical humanitarian service. It is surprising that such an extensive record as this can be made of a small, decentralized group whose religion is primarily directed, not toward the outer world, but toward the spirit or light within all men and whose social doctrines, especially those which concern peace and human equality, have been so much at variance with prevailing popular opinion.

The book is designed to be descriptive and analytic though some attempt at evaluation is made in an epilogue which is intended to indicate that Quaker doctrines are more practical and expedient than they are generally considered to be. Since Friends have depended on an inner sense or intuition of the intrinsic rightness or wrongness of an action regardless of its apparent results, the author devotes little space to the success or failure of their undertakings though he indicates that a noncompromising application of Christian principles in a non-Christian world sometimes is successful in the long run. The struggle for religious liberty in England and America, during which Quakers endured persecution, was successful because they took an absolute, not a relative, position. William Penn's holy experiment in establishing the commonwealth of Pennsylvania was a success as long as the Quakers were in control. Yet Quakers

have generally been gradualists rather than revolutionaries, not because they were willing to compromise, but because they did not expect their absolute position to be adopted by others except by degrees. When they advocated modifications of foreign policy, it was always in the direction of less reliance on military compulsion and other forms of coercion. This included unwillingness to approve of forcing an extreme position on people not inwardly prepared to accept it. Evil, they felt, must be outgrown rather than violently suppressed.

The peculiarity of the Quaker approach stems primarily, says Dr. Byrd, from a conviction that there is "that of God in every man," a phrase much more used by this author than by Quaker writers in general. Awareness of "that of God within" creates a belief in the infinite worth of every individual and a sense of unity and community with all men and all life.

For the solution of international problems Friends rely on agreement achieved through spiritual power which is not coercive. The search for security is not a primary motive. The Quaker method starts from within, individually and eventually nationally. It works from within outwardly into wider and wider circles.

The first part of the book is theoretical, and the second part historical. The multitude of events described indicates that Friends have not been satisfied with a purely negative peace policy but have continually urged governments to take a positive action in the direction of arbitration and disarmament. Friends have admitted the need of a police force but have disagreed on the morality of an international police army. The main modern Quaker contribution to foreign affairs has been the creation of pilot projects, mainly educational, in an attempt to reduce tensions by increasing international and interracial understanding.

This book is an excellent contribution to the subject. It is the only study which adequately covers Quaker efforts in the first half of the twentieth century. While it raises more questions than it answers, these are questions which concern our most difficult problem of today, that of foreign

relations. If the Quaker doctrine can not be fully realized at present, it may, at least, represent the direction in which men and nations should move.

HOWARD H. BRINTON

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CARL J. FRIEDRICH (Ed.). *Community. Nomos II.* Pp. viii, 293. New York: Liberal Arts Press, 1959. \$5.00.

This volume of the Yearbook of the American Society of Political and Legal Philosophy is based on the discussions and papers presented at the meeting of that society in 1957. The central problem of the conference was to explore the meanings and implications of the concept of community, mainly from the point of view of historical, philosophical, and legal thought. Of the sixteen papers presented in the publication we observe such titles as, "The Community as the Legal Order," "The Co-Organic Concept of Community," "The Crisis in Community: Challenge to Political Theory," "Community—After the Apocalypse," "The Principal Structures of a Community: A Sociological Analysis," "Community as a Matrix," "Community, Communication, and Communion." Two papers deal with community in terms of publicity and secrecy, one in relation to the role of the Supreme Court. Perhaps the most comprehensive is the initial chapter by Friedrich, "The Concept of Community in the History of Political and Legal Philosophy." Talcott Parsons attempts, as one might expect, to consider the community as an aspect of a social system, emphasizing four structures which he refers to as the locational, the occupational, the jurisdictional, and the communicational. To this reviewer, one of the most stimulating chapters is presented by Benjamin Nelson, "Community—Dreams and Realities." Anyone who feels comfortable about modern society or who finds satisfaction in some of the platitudes erupting from the high priests of political power, whether democratic or authoritarian, could profitably ponder on Nelson's tough-minded realism.

One finds in the volume a variety of interpretations of the concept of community. The volume is not limited to con-

ceptual meanings but is also concerned with basic problems such as the function, character, and abuse of power, totalitarianism in the modern world, and the challenges of nationalism to social theorists. Some of the writers view community in a broad sense, almost the equivalent of a national society; one is concerned with the conventional conception of community as human organization in a local setting.

To read this book is a vigorous intellectual exercise. While its appeal is mainly to philosophers and historians, some of the chapters would be of special interest to behavioral scientists.

NOEL P. GIST

Professor of Sociology
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EMILE DURKHEIM. *Montesquieu and Rousseau: Forerunners of Sociology*. Translated by Ralph Manheim. Pp. xvi, 154. Ann Arbor: University of Michigan Press, 1960. \$3.95.

In the first essay of this book, written in 1892, Durkheim discusses Montesquieu's contributions to the founding of social science under such captions as: Conditions necessary for the establishment of social science, Montesquieu's classification of societies, the extent to which Montesquieu believed that social phenomena are subject to social laws, and Montesquieu's methodology. Durkheim concludes that no earlier writer had perceived so clearly as did Montesquieu the conditions needed for the founding of social science.

According to Durkheim, Montesquieu also "instituted a new field of study," now called comparative law. Durkheim commends Montesquieu's methodological conclusion that laws cannot be understood apart from "morality, trade, religion, etc." or separate from "the form of society." Thus Durkheim claims that Montesquieu foreshadowed the unity of social science. Although Durkheim admits "an element of ambiguity in Montesquieu's concept of law," he believed that Montesquieu laid the groundwork for a science of sociology, although his discussion of this point is incomplete and unclear. His use of the terms social science and sociology is not differentiated, and his inference that Mon-

tesquieu was the father of sociology appears to claim too much.

In the second essay, Durkheim seeks to determine what Rousseau meant by a "state of nature," and why, according to Rousseau, people departed from this state to found societies, why Rousseau believed that this shift was not inevitable, and how it was that he believed that the state of nature and a civil nature are reconcilable. Durkheim points out how Rousseau and Descartes were alike in that each sought "to clear the mind of all mediate judgments." Durkheim accepts Rousseau's belief that the state of nature is satisfactory for man as long as conditions are simple and stable, but no longer so, when conditions change and arouse new wants. Durkheim explains how Rousseau posits "the establishment of a body politic," and how he defines "the social contract." Durkheim contrasts Montesquieu and Rousseau at the point of results in their thinking, —the former emphasizing a normal division of functions and mutual service, while the latter believed the individual to be hostile to the common will.

In the Foreword, Henri Peyre reviews Durkheim's life briefly, and in a statement supplementary to the two essays, George Davy, one of Durkheim's successors at the Sorbonne, compares Durkheim, Montesquieu, and Rousseau, stressing how Durkheim regarded Montesquieu as a precursor and no more of the modern social sciences. Durkheim's two essays are as valuable today as when they were produced in describing some of the basic ideas which led to the founding of sociology. The essays reveal Durkheim at his best in the role of a lucid thinker, effective writer, and a fervent diagnostician of some of the origins of social science.

EMORY S. BOGARDUS

Editor, *Sociology and
Social Research*
University of Southern California

OVERTON H. TAYLOR. *The Classical Liberalism, Marxism, and the Twentieth Century*. Pp. viii, 122. Cambridge, Mass.: Harvard University Press, 1960. \$3.50.

This small volume contains four lectures given at the University of Virginia by

Overton H. Taylor, a Harvard economist. It aims at contrasting the basic philosophies in conflict between "classical liberalism," which the author believes characterizes American and Western capitalism and democracy, and Marxian communism of Russia and other Communist areas. The author traces the development of "classical liberalism" which came to fruition in the eighteenth and nineteenth centuries. The emphasis is upon basic freedom for the individual and is in contrast to the "cult" of the New Dealers and Fair Dealers, enthusiasts for the trend towards the welfare state, or "humanitarian big government." The author considers some areas of justifiable government intervention, but he favors a return to a point somewhere between "strict laissez faire," and "the semi-socialist, so-called liberalism of today." An earlier volume of collected writings contains essays written under the influence of the liberalism the author now condemns, as well as essays representing recovery to his present position, but he there described himself as "a perpetually troubled, mind-changing moralist."

Perhaps more stimulating than the defense of a moderate conservatism found in these lectures, is Dr. Taylor's discussion of Marxism and the distinctions between Karl Marx and the modern Communist version. He stresses the need to acquire a deeper understanding of Marx than is usual, as Marx was "a truly great scholar and thinker no matter what or how we think about him." As an economist, he believes that Marx's insights into the dynamic, evolving aspects of capitalism and the business cycle cannot be dismissed. The element of utopianism in Marx, however, was the greatest weakness, and "professed builders of his utopia are now making it a hell." The Communists have also given an emphasis to revolution beyond that of Marx.

In assessing the appeal communism has for some peoples, the author calls attention to the reality of oppressive class governments which existed in areas won over to modern communism and to the fact of rapid industrialization and modernization which they are achieving. The fatal omission is in the field of ethical or moral

progress, and the response of the West must be union upon a single sound moral vision. As for imperialism, the main cause is the chaos of a world of sovereign nations. International government and an effective body of international law must replace this chaos.

DALE PONTIUS

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Roosevelt University

DOUGLAS V. VERNEY. *The Analysis of Political Systems*. Pp. v, 239. Glencoe, Ill.: Free Press, 1959. \$6.75.

Within the covers of this small volume, the author has tucked a surprisingly rich conspectus of government and politics as they exist among the nations and peoples of the modern world. His methods are empirical, his categories are clearly defined and entirely relevant to contemporary experience.

The work is divided into three main parts. In the first he examines governmental structure and finds that most present governments fall into one of three systems: presidential, parliamentary, and convention. A few are combinations of two or more, while five may be called *ancien* regimes and nine more are unclassifiable. Most Communist states operate under the convention system. Each of the three basic systems is carefully described and explained. Many of the author's insights in this part challenge commonly held dogmas and stimulate refreshingly a new look at governmental structure.

The second part of the book is concerned with the political process. Here the author discusses theories of general participation and theories of limited participation. In the first group he considers the theory and practice of "classical" democracy, representative and delegate democracy, and interests and pressure groups. These last, he thinks, should be regulated "to assure that in making their contribution to the political process [they] do not lose touch with their members or act contrary to the public interest."

The three chapters which deal with elite theories, with the "iron law of oligarchy," and class war, offer a succinct analysis

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of contemporary governments and societies which should prove quite useful to the student of political science in his consideration of problems of government personnel.

The final chapter, entitled "Government and Political Process," is in the nature of a conclusion based on the earlier analysis. This synthesis sheds considerable light on contemporary problems in political science. There is a separate examination of the applicability of democratic and Communist theories to the development of underdeveloped countries. The author concludes that the achievements of communism are largely economic and Communists seem to be blind to the need for political growth. He feels that as national economies in the underdeveloped countries reach a level acceptable to their residents the political shortcomings of the Communist creed will become increasingly apparent. Then full, genuine popular participation will be demanded, and nothing else will do.

To those who wish to clarify their thinking about certain aspects of political theory and about government and its activities in the modern world, this little book is confidently recommended as well worth reading.

HARVEY WALKER

Professor of Political Science
Ohio State University

INTERNATIONAL RELATIONS

KENNETH W. THOMPSON. *Political Realism and the Crisis of World Politics: An American Approach to Foreign Policy*. Pp. ix, 261. Princeton, N. J.: Princeton University Press, 1960. \$5.00.

Mr. Thompson has for many years been one of the ablest exponents of the "realist" school of international politics. In this volume, which is based on a set of lectures, he presents the main and, by now, familiar themes of "realism:" the absence of absolutes in world affairs, the permanence of power conflicts, the limited freedom of action of the foreign policy-maker, the differences between individual and collective morality, the difficulty of effective diplomacy in a democracy. As in many of

Hans Morgenthau's works, we find here a sharp criticism of traditional American approaches to world politics: isolationism and collective security, excessive faith in naked power and extravagant legalism, the tendency to moralize too much, and the habit of speaking with too many voices. Indeed, the book sounds like a mass of expiation for the deadly sins of liberal optimism, enlightenment, faith in progress, and "sectarian Christian perfectionism," conducted in a realists' Pantheon, where we find, along with Mr. Thompson, those men whose ideas he praises throughout: Niebuhr, Kennan, E. H. Carr, Morgenthau, Spykman, Lippmann, and Dean Acheson's policy-planners. Together they preach of "the inevitable tragedy of human existence, the irreducible irrationality of human behavior, and the tortuous character of human history."

It is an eloquent sermon, and no one can deny that the demons which Mr. Thompson exorcises deserve to be chased away, and are indeed very difficult to drive permanently out of American foreign policy. However, two serious questions may be asked. First, does the battle still need to be fought so hard? Haven't those evil spirits lost much of their strength, and is it entirely fair to see in every crisis or mistake of recent years a trace of their presence? Secondly, are the principles with which realism proposes to replace the illusions of the past able to provide us with sound guidance? I doubt it on two counts. To help us understand the world around us, realism proposes two tools which are a bit too awkward for good use: history and the concept of the national interest. Now the former supposes a far more thorough discussion of its relevance and interpretation than is provided here, and the second is treated as if it were an easily identifiable and objective reality, which it certainly is not. To help us solve the political and moral dilemmas which both block and require action, realism merely repeats that everything is "fraught with dilemmas" and that problems have to be faced "on their merits," but does not tell us what the merits are. The civilized despair, or the informed sigh, about moral ambivalence is not much better than

the trenchant and crude moralism which it displaces: both are oversimplifications and escapes. To warn us against absolutes is good as long as it is intended only to remind us of the perils of moral absolutism in a divided world. But in a revolutionary period, to talk about the moral content of all national interests comes dangerously close to an invitation to desist from moral judgment altogether. To plead for expediency rather than principle risks making us forget that expediency all too often means bowing to the principles of one's antagonist.

Indeed, the lodestars which Mr. Thompson points out to us: diplomacy, compromises, and the British approach to foreign affairs, re-enforce this reader's suspicion that the realists' conservatism is simply a case of fatigue of liberals who have lost their faith in—or illusions about—man, but preserved their hope for—or illusions about—accommodation and restraints. It might be beneficial for present-day liberals to "accept the wise doctrines of . . . the Policy Planning Staff," but it is unfortunate to see realists take almost as a model the policies of a nation—Great Britain—whose twentieth-century diplomacy, inspired by nineteenth-century traditions, could be used as an almost permanent exhibit of egregious errors. Having purged our mind of the poisonous foods it has absorbed in the past, the "realists" leave it hungry for better nourishment which they do not provide.

STANLEY HOFFMANN

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Harvard University

WILLIAM T. R. FOX (Ed.). *Theoretical Aspects of International Relations*. Pp. xii, 118. Notre Dame, Ind.: University of Notre Dame Press, 1959. \$3.25.

The distinguishing mark of postwar social science is the quest for organized bodies of theory capable of providing a measure of unity and coherence for the major disciplines. This little volume is a sample of progress in the international relations field. It contains seven essays prepared for an inter-university seminar conducted in 1957 at Columbia University. Its contributors are a former policymaker, Paul H. Nitze, a theologian, Reinhold Nie-

buhr, and economist, Charles P. Kindleberger, and four political scientists, William T. R. Fox, Hans J. Morgenthau, Kenneth Waltz, and Arnold Wolfers. The authors discuss the elements, the nature and limits, the uses, the actors and the central concepts of a theory of international politics. One contributor evaluates international political theory from the standpoint of economic theory and another in the light of classical political philosophy.

None of the theorists claims a monopoly for his approach to the theory of world politics. Each is content to add to the sum of knowledge of "normative," "scientific," or "rational" theories. Individual authors contribute in their own right, and we are indebted to the Committee on International Relations of Notre Dame University for publishing the cogent and incisive essays under one cover. Each essay was presented to the Columbia Inter-University Seminar composed of the seven authors and fifteen younger theorists from nearby universities and centers. Every author was given an opportunity to revise his paper in the light of the successive seminar discussions which extended in each case over a two- and three-day period. No inquiry into theories of international politics can afford to pass over this important collection of papers that illustrates so graphically the unity and diversity of prevailing approaches. For example, Professors Fox and Wolfers reflect a strong leaning toward the behavioral sciences, Mr. Nitze applies the experienced practitioner's corrective to theories he finds insufficient, and Professor Morgenthau and Dr. Niebuhr illustrate the usefulness of "strong" organizing principles or concepts for the development of theory.

If the reader feels a sense of disappointment on completing this excellent study, he can trace it primarily to "a missing chapter." At no point does the editor or any of his colleagues consider the relationship of the parts to the whole. In economics, we have witnessed a lively discussion on the relation of partial to general theories or concepts of microeconomics to macroeconomics. Professor Kindleberger viewing international theory from the outside invites attention to this problem. I suspect the inherent modesty of each con-

tributor coupled with the present stage of development of international theory explains the absence of such analysis. Perhaps other scholars who use the book may be stimulated to complete this unfinished task. In so doing they will exploit the valuable insights of this significant treatise in an emerging field of study.

KENNETH W. THOMPSON

Director
Rockefeller Foundation

RAYMOND H. DAWSON. *The Decision to Aid Russia, 1941: Foreign Policy and Domestic Politics*. Pp. xv, 315. Chapel Hill: University of North Carolina Press, 1959. \$6.00.

The enthusiasm with which the British and American governments welcomed Hitler's invasion of Russia, June 22, 1941, is well known. Churchill's pungent remark, "If Hitler invaded Hell I would make at least a favourable reference to the Devil in the House of Commons," has been often quoted, as has Secretary Hull's telephoned message to the President: "We must give Russia all aid to the hilt." Both Churchill and Roosevelt promptly announced their intention to give all possible aid to the Soviet Union in its fight against Nazi Germany. Yet it was not until November 7 that the President signified that the Soviet Union was eligible for aid under the Lend-Lease Act. It is the reason for this long delay that Mr. Dawson has set forth with great detail in his well-written and well-documented monograph.

Starting with the debate over the Lend-Lease Bill, January to March, 1941, he shows that the opposition made repeated attempts to exclude Russia from the benefits of lend-lease. The Administration forces, aware of the possibility of a breach between Russia and Germany, successfully opposed such attempts. When the break came, therefore, the Soviet Union was legally eligible for lend-lease aid, but Roosevelt feared that the extension of such aid would arouse formidable opposition to the new appropriation for lend-lease, which was essential for continued aid to Britain. Aid to Russia, therefore, was temporarily financed by purchase of Russian gold and

other hand-to-mouth expedients, while the President tried to mollify hatred of the Soviets, especially hatred based on religion. His rather amusing attempts to secure proof of religious freedom in the Soviet Union were futile, but the Vatican co-operated in a statement distinguishing between communism and the Russian people. Congressional opposition, clearly less formidable than the President had supposed, collapsed. The new appropriation for lend-lease, with no restrictions on where the President might use it, was signed on October 28, 1941. Ten days later Mr. Roosevelt informed the Lend-Lease Administrator that he had on that day found that the defense of the Soviet Union was "vital to the defense of the United States," and hence that the Soviet Union was eligible for lend-lease aid. Mr. Dawson's book makes a valuable contribution to the history of Soviet-American relations.

JULIUS W. PRATT

Hobart and William Smith Colleges

GEORGE LISKA. *The New Statecraft: Foreign Aid in American Foreign Policy*. Pp. xv, 246. Chicago: University of Chicago Press, 1960. \$5.00.

Under the auspices of the University of Chicago's Center for the Study of American Foreign and Military Policy appears another worthy addition to the notable series of recent volumes. George Liska's study of foreign aid is erudite, insightful, and provocative. It is surely one of the very few really important books on his subject.

The most distinctive element of this study is its focus upon the instrumental nature of foreign aid, including economic assistance, as a weapon in the arsenal of the donor for short-term or long-term security goals. Liska has very little squeamishness about American intervention in the internal affairs of recipient powers; even a "noninterventionist" aid policy is seen to have "interventionist" consequences. Liska's only plea is that "a decent measure of control is more likely to flow from an attitude of detachment than from one of involvement;" "intervention" but not "identification" with those governments or

factions that are, directly or indirectly, being aided is "the beginning of wisdom in foreign aid policy."

I may, as Liska warns, be guilty of "mechanistic thinking" in finding this distinction not completely tenable. And there are numerous other points where he seems to rely more on confident assertion, illustrated by specific episodes, than upon really thorough empirical testing of his hypotheses. But usually Liska's judgment seems to me sound and politically sophisticated—considerably more so than The Proposal by the Massachusetts Institute of Technology group whom he evidently regards as his chief antagonists. Furthermore, Liska has evidently read very widely—one of his most interesting chapters draws intriguing parallels between contemporary foreign aid and previous forms of intergovernmental subsidies from the last three centuries. In all, Liska's study is a notable example of how much an imaginative scholar with a fine analytical mind can accomplish by means of library research, without group efforts or field studies, even in the area of current foreign relations.

Unfortunately the form in which the material is presented sometimes detracts from its logical clarity and readability. In particular, the first and last chapters seem structured in a more aggregated than integrated fashion. But the middle chapters are so meaty that they deserve careful perusal by anyone who specializes in contemporary American foreign policy. Hopefully, many such readers will be inspired to attempt some further empirical testing of Liska's richly provocative insights.

H. BRADFORD WESTERFIELD

Assistant Professor of
Political Science
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JAMES R. SCHLESINGER. *The Political Economy of National Security: A Study of the Economic Aspects of the Contemporary Power Struggle*. Pp. vii, 292. New York: Frederick A. Praeger, 1960. \$5.00.

Since World War II many American students of diplomacy, modern history, international relations, economics, and poli-

tics have been provided a new focus for their work. That focus is the concept of national security. It is a concept so broad and so vital that it has compelled the re-examination of conventional political and economic ideas and the formulation of some refreshingly new ones.

The Political Economy of National Security takes its place as a most worthy example of this new scholarship. Among its more impressive qualities is its perspective, and yet the breadth of the author's views does not prevent his identification of specific details. Professor Schlesinger sees national security as a most complex phenomenon, and economics is for him but one of several related components of national strength. His selection of facts about productive capacity and economic resources is pertinent, and his objective treatment of them is reassuring to anyone who attempts to establish, say, comparative Russian and American potentials.

He treats accurately and coherently such disparate factors as manpower, taxation, budget allocations, dangers and advantages of autarchy, and both the facts and the concepts of economic growth in Russia and the United States, yet never loses sight of the relation of each factor to national security as a whole. Although the author addresses himself to economics, he sees, as his title clearly implies, that for national security the only economy that matters is political economy. The basic issues are political issues, and his analysis of them is most penetrating. He points out how much the political conditioning of the American mind disqualifies this country for the role it is now called upon to play—our belief, for example, that "stability is the normal course for human relationships," our belief that "wealth is a cure for political ills," our reluctance to "readjust our domestic habits to the demands of national security." He calls for more realism for problems we have been unwilling to face—the necessity of a greater budget allocation for security purposes—as well as for developments we have unduly feared, such as the exaggeration and the meaning of Soviet economic growth. His analysis of the political and economic costs and values of American aid to underdeveloped countries

should give both the skeptic and the sentimentalist much to think about.

A long review of Professor Schlesinger's book could find some statements of fact and some implications of policy to criticize; a short review can only express appreciation for a first-rate work of analysis and for an informative treatment of a very complex problem. The quality and workmanship of this book deserve the gratitude of scholars and the attention, hopefully, of government officials responsible for national policy.

HAROLD W. STOKES

President
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MURRAY DYER. *The Weapon on the Wall: Rethinking Psychological Warfare*. Pp. xxi, 269. Baltimore, Md.: Johns Hopkins Press, 1959. \$6.00.

This book should be read under the shadow of a U-2. It also goes well with a speech by Fidel Castro or Nikita Khrushchev.

It is a straight-talking, straight-thinking consideration of where we stand in the ideological struggle of our time and what we can do about it. Of all the books written on our national propaganda program, this is the freshest and, on many points, the most insightful.

Dyer, who worked for Office of War Information (OWI), the Associated Press, the Columbia Broadcasting System, and the National Broadcasting Company, once taught at the Japanese Naval College, and wrote this book while a member of the Operations Research Office of Johns Hopkins, goes right to the heart of the matter. He says that Americans have never understood how to use the force of fact and idea in the present world. To clear our heads of the military limitations of "psychological warfare," the unsavory connotations of "propaganda," and the neuterness of "information," he suggests a new term: political communication. This is not limited to a shooting war. It is not anything a citizen of a democracy need feel ashamed of doing, and it is conceived of as a fourth arm for attaining national objectives; the others

are diplomatic, economic, and military. Dyer's discussion of what political communication should be in a nation like this is one of the illuminating sections of his book.

Most of his book, though, is concerned with the problems of attaining an adequate program of political communication. The volume was delayed sixteen months while it was passing through government clearance committees, and the reason is not difficult to guess: it stepped on the toes of very large federal agencies. He was telling, with as much frankness as was permitted him, the sickening story of the battle between the agencies over who should do what in psychological warfare.

Dyer feels that even if the program should logically be run by one of the present agencies, the interagency battles of the last fifteen years have now made that impossible. Therefore, it must be administered in the Office of the President. The President himself must take leadership. Chiefly he must lead the government in the belief that, just as state and defense are significant and vital, so is political communication an imperative and key activity. Dyer rightly says that this sort of attention will overcome countless barriers that have stood for years in the way of the program.

He suggests that the President have a co-ordinator in his office to ensure that the whole policy of the nation is expressed. An agency under the control of one of the great federal departments, Dyer argues, could hardly be expected to rise above the politics of its department after the "give-and-take" of determining policy. This suggestion will surely be resisted strongly because of earlier experiences with super-agencies and co-ordinators. His other recommendations are less controversial. Among them are a national college of political communication, to raise the study of this subject "from training to teaching," and a permanent joint congressional committee on political communication, parallel to the Joint Committee on Atomic Energy.

But none of these devices will yield results, he insists, without "national leadership that can light up the premises behind a free people" and "action governed by those premises." Then "active, militant

political communication" will acquire significance.

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ASIA AND AFRICA

GABRIEL A. ALMOND and JAMES S. COLEMAN (Eds.). *The Politics of the Developing Areas*. Pp. xii, 591. Princeton, N. J.: Princeton University Press, 1960. \$10.00.

The study of comparative government has hitherto been confined to the major powers, most of which were located in Europe and America. Thus each state could be viewed as a unique product of social, economic, and ideological forces over a period of centuries. The minor powers could be regarded as variants upon the major themes of the development of forms of government—the transition from feudal monarchy to democracy. The countries of Latin America were potential democracies which had failed to fulfill their ambitions. Asia and Africa contained few independent states, and these were anachronistic survivals often teetering between tyranny and anarchy. The rest of the world was safely under Western tutelage and might, conceivably, begin to take the first steps along the road that would lead to responsible self-government.

The fifteen years since 1945 have changed that concept of the world. There are now some 100 states in existence or about to be created. They cannot be ignored, and it cannot be assumed that their highest ambition is to imitate their favorite Western power.

We need to know the political problems of the developing areas. Yet it is obvious that the traditional approach to comparative government has limitations. No doubt it is possible and necessary to have students of politics who have some knowledge in depth of the language, history, and outlook of the people of Laos or Ghana or Liberia. But there is a danger that each

specialist may be so convinced of the uniqueness of 'his' chosen country that he will be unable to understand the wider issues that concern all or most of these countries. Obviously it would be a vain hope to expect to find an expert who would be equally competent to discuss more than a handful of such states.

Messieurs Almond and Coleman and their collaborators, Lucian Pye, Myron Weiner, Dankwart Rustow, and George Blanksten, have attempted to meet this difficulty in two ways. Firstly they have propounded an analytical framework of concepts and standards of evaluation. Secondly they have invited five area experts to apply this theory to the groups of countries that they know best.

This is a pioneering work and, as such, it is hardly surprising that its quality is somewhat uneven. Each of the discussions of the five areas contains valuable and original insights, especially those dealing with South Asia and the Near East, though this preference may well reflect the bias of this reviewer. But their merit seemed to increase the farther they departed from the theoretical basis set forth by Mr. Almond. For the theory is largely divorced from history. Each state is presented for classification as it stood at the moment of writing. Thus Mr. Coleman groups Ethiopia and Liberia in one category; and, among others, Mauritania, Ghana, Gabon, and the Sudan in a second; Sierra Leone, Uganda, and British Somaliland in a third; and Kenya and the Belgian Congo in a fourth.

Those political scientists who rely heavily upon social anthropology have often criticized writers who rely on history and law for their undue formalism. But Messieurs Almond and Coleman seem to be producing a formalism of their own which is the more rigid for its attempt at logical rigor. Happily most of their contributors have declined to be confined to their procrustean bed.

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RUPERT EMERSON. *From Empire to Nation: The Rise to Self-Assertion of Asian and African Peoples*. Pp. x, 466. Cambridge, Mass.: Harvard University Press, 1960. \$7.75.

"At this uncertain point in history no definitive answer can be given to the question whether the nationalism of Asia and Africa will turn out to be a blind alley, leading nowhere except to ultimate disaster, or the path leading toward internationalism which nineteenth-century liberalism proclaimed nationalism to be" (p. 396). Thus, Professor Emerson, fundamentally in sympathy with the newly emerging nations' desire to make a successful transition from colonial status to self-government, expresses his doubts as to the likelihood of a life without travail for them.

Roaming the world for illustrative material, he cites the pitfalls they face. Who is to speak for the nation? Will the abolition of colonial rule see the triumph of the old tribal chieftains or the westernized intellectuals? At what point should self-determination stop in order to avoid fragmentation? What effects will rising populations, limited land resources, a shortage of capital and skills, pressures for social welfare, unresolved problems of irredenta and so forth, all in a cold war setting, have upon these lands? Professor Emerson does ask most of the pertinent questions.

While his work is not exceptionally novel, it does in intelligent fashion deal with fundamentals, constituting a good synthesis of the problems of postimperialism. The first four and last five chapters seem most rewarding. It is not to be expected that one will agree with all of his views, for example, the minimizing of colonial issues as factors in World War I (p. 23), but, on the whole, he couches his ideas with sufficient qualification to create the impression of judicious evaluation. He can deftly puncture the hypocrisy of the imperialist's rationalizing and as readily highlight the illusions of many anti-imperialists.

For the most part he is sufficiently skeptical not to be oversanguine regarding the prospects for the future. He thinks there will be many more "strong-man" governments, and though favoring financial aid

to underdeveloped areas, cautions against expecting quick or easy progress. A broader discussion of economic problems might have replaced or supplemented the overly extended six chapters on The Anatomy of the Nation.

The book gives evidence of wide-ranging knowledge and displays perceptive analysis, though one or two of his examples may fall into the category of arbitrary selection. In a style that is academic but not dull, he has written a good book—and as with many good books, both beginners and experts will find value in it.

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FRANK N. TRAGER (Ed.). *Marxism in Southeast Asia: A Study of Four Countries*. Pp. 381. Stanford, Calif.: Stanford University Press, 1959. \$7.50.

A study of the penetration of Marxism into Southeast Asia is certainly needed, and the authors of this work are to be complimented for undertaking so ambitious a project. Their book is divided into background chapters devoted to the historical development of Marxism in four Southeast Asian nations and two analytical sections contributed by Professor Trager. In the historical part, John Seabury Thompson has contributed a balanced and lucidly written account of the development of Marxist ideas and movements in Burma, while Milton Sacks provides a long-awaited history of Vietnamese Marxism which adds much to our knowledge of the Viet Minh's intellectual roots. Jeanne Mintz' chapter on Indonesia is balanced rather unsteadily between a history of Indonesian communism and a general survey of the political situation in that country, an unevenness which owes much to the difficulty of dealing with an area in which nearly every political movement has been influenced by Marxism. David Wilson faces the opposite problem in handling Thailand where no measurable Marxist influence has been felt; he has met it with a highly stimulating analysis of Thai society in terms of its receptivity to Marxist ideas, an approach which is most welcome since, while we are

beginning to acquire a literature on how Marxist movements have grown in Southeast Asia, few writers have scratched more than the sociological surface in explaining why they have arisen.

Professor Trager's contribution on "The Impact of Marxism" is the keystone of this work; it is therefore unfortunate that it is also the weakest part and that his efforts to generalize for the entire Southeast Asian area result more often in oversimplification than in insight. A major stumbling block for the reader is the author's inconsistency in his use of the term "Marxism"; sometimes it appears as a body of ideas, sometimes as an organized movement; sometimes it seems identical with communism, and at other times it may include the social democrats and even some nationalists. Perhaps the major objection, however, is that Professor Trager divides Southeast Asian politics into categories which are both limited in scope and Western in origin—a compartmentalization which leads him to the curious conclusion that throughout Southeast Asia a three-party system of government is developing which will result in the establishment of a tropical version of Swedish social democracy.

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J. H. BRIMMELL. *Communism in Southeast Asia: A Political Analysis*. Pp. ix, 415. New York: Oxford University Press under the auspices of the Royal Institute of International Affairs, 1959. \$6.75.

Increasingly students of modern Asian affairs have concerned themselves with the variable phenomena associated with Marxism in Asia. Whatever calm there may be in the writing of their texts there is a sense of urgency in the topic. This has been accentuated, if not created, by the successes of the Communists in China, North Korea, North Viet Nam, their clear cut linkage with the Soviet Union and its satellites, and their combined threat to the rest of Free Asia. Obviously, whatever is learned about Communist Marxism in this Asian setting has practical significance for counterpoising policies and programs.

The immensely important concern with Chinese communism—a true descendant of Marx, through Lenin and Stalin—must not be allowed to absorb our exclusive attention. For Marxism, ideologically and otherwise in both its Communist and Socialist garbs, has been, according to Brimmell, if not "the" most dynamic influence in the area, at least one of the most potent influences in Southeast Asia since World War I.

Communism in Southeast Asia has the merit of recognizing both the extent of the canvass to be examined and its roots in an aggressive, missionizing ideology which first came to Asia largely under the inspiration and leadership of Lenin. Brimmell offers a history and analysis of this Leninist version of Marxism up to 1958 as it affected the countries of Southeast Asia, that is from Burma to the Philippines. It is most important for us to note that though the indigenous and emigre followers of Lenin, Stalin, and latterly Mao Tse-tung have tried armed rebellion, infiltration, subversion, and every other device in their arsenal, they have failed except in North Viet Nam to establish their control in any country of the Southeast Asian region. But they continue to try, and, therefore, it is, to say the least, prudent for us to learn about their trials and errors. We may not have too many chances in the future. The time we now have has been bought initially and in significant degree through the awakening, understanding, and effort of indigenous Nationalist Southeast Asian leaders.

Communism in Southeast Asia is useful for all readers concerned with this problem. The general reader will profit from some of the author's swiftly paced political summaries, for example, on the conditions in these lands as colonies which promoted Asian nationalism (pp. 169–175). Specialists in the area will reject or question various data offered by Brimmell, for instance, his treatment of the origins of the Burma Communist party and of the Burma Nationalist organization, the Anti-Fascist People's Freedom League (pp. 117, 121, 155, 157, 186). Many Americans will be justifiably annoyed by what amounts to a form of British anti-American stereotyping (p.

391 ff). Despite these criticisms the book is evidently as worth having as it was worth writing.

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WALTER RUBEN (Ed.). *Die Ökonomische und Soziale Entwicklung Indiens: Sowjetische Beiträge zur Indischen Geschichte*. Pp. x, 308. Berlin: Akademie Verlag, 1959. DM 22.00.

This book contains a collection of eleven papers by various Soviet authors on the social and economic history of India, mostly since the onset of British rule. Only two essays deal with the pre-Muslim and Muslim period. The papers vary greatly in quality, and one or two are extremely poor and seem to have been included mainly for their ideological undertone.

The underlying purpose of all papers is to show that India since the eleventh century has passed through a period of "feudalism," which by the end of the nineteenth century gradually came to be replaced by "capitalism." Moreover, the attempt is made to show that the "lower forms of capitalist enterprise" are gradually losing out to the factory, that is, the cottage industries and small enterprises tend to be replaced by larger firms. In brief, the papers in this book are designed to clarify the Marxian theory of capitalist development, and this framework clearly stands out—including especially Marxian terminology as well as numerous references to often unrelated works of Marx and Lenin.

If we disregard the statements of doctrine and the special Marxian terminology, we have—except for a few papers—a number of quite competent essays on recent economic history of India. The sources used by the Soviet authors are the same as those employed by Western scholars: they are mostly settlement reports, accounts of travelers, parliamentary papers, district gazetteers, and documents of the East India Company. Of course, the data extracted from these sources by the Soviet

scholars are designed to show the nature of feudal, and particularly capitalist, exploitation of the Indian peasants and workers by the landed aristocracy and the industrial and financial bourgeoisie.

This book is an interesting example of Soviet historical writing, at about the end of the Stalinist era. Though it is, on the one hand, infested with a strong doctrinaire bias, it presents, on the other, a host of interesting and well-documented data from Indian economic history and draws attention to some otherwise little explored aspects of the Indian economy mainly in the eighteenth and nineteenth centuries. In particular, the discussion of village communities in Maharashtra in the early nineteenth century, the early phases of the *zamindari* system under the East India Company in Bengal, and the problems of tenancy relations in Tamilnad in the inter-war period repay study. Anyone who reads German with some ease will find it interesting to browse in this book, in part for the substantive problems discussed there, and in part to examine the way in which orthodox Soviet historiography deals with the economic history of an underdeveloped country of Asia.

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K. P. BHAGAT. *A Decade of Indo-British Relations, 1937-47*. Pp. xv, 521. Bombay: Popular Book Depot, 1959. Rs. 25.00.

The last decade of British rule in India was one of great importance in forming and hardening the political conditions that have prevailed in India since 1947. The period encompassed the inauguration of the 1935 Act, the experimental provincial governments (1937-1939), wartime politics, the rapid rise of the Pakistan demand; finally, partition and independence. Professor Bhagat has addressed himself to an analysis of this crucial period.

Unfortunately, the author has not contributed much to a better understanding of the decade. Relying heavily on the admirable series of "Annals" edited by N. N. Mitra, with scattered additions of evidence from a number of other standard

sources, Professor Bhagat has outlined in tiresome detail, and with hundreds of truncated quotations, a week-by-week review of the critical political issues of the times. As a reference, the book is not always reliable; the analysis and interpretation are lacking in insight and objectivity. For one case, the Pakistan issue is not fairly treated, unless one accepts the official Congress stand uncritically.

For some curious reason, the phrase "... it was this dynamic nationalism which was one of the most potent factors that demanded British withdrawal from India . . ." (p. 37), or paraphrases of the same thought, reappears in the book over thirty times by my count—repeated three times on page 62 alone! There are several other similarly questionable clichés that, used over and over, tend to round out this 521-page book.

This book represents a serious attempt by an Indian scholar to use careful techniques of documentation and footnoting, no doubt impressed on him in his graduate training in the United States. There is nothing wrong with these techniques, properly used. But content, insight, and relevance surely must come first. Despite the enormous amount of work that appears to have been poured into the preparation of this study, the result cannot be commended.

The Index is generally good, as is the organizational layout of the book. Typographical errors abound.

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FRANK MORAES. *The Revolt in Tibet*. Pp. 223. New York: The Macmillan Company, 1960. \$3.95.

This book is one of the best popular descriptions of the Chinese subjection of Tibet during the period from 1950 to 1959. The author, an Indian journalist and scholar who is well known for his books on Mao's China and on Nehru, combines in this well-written book the documentary evidence of treaties and agreements with the personal accounts of participants including that of the Dalai Lama himself.

The book begins with an account of the flight of the Dalai Lama from Lhasa and then deals with the historical background of Sino-Tibetan relations and of India's role in the present tragedy of Tibet. It is interesting because of the critical view taken by an Indian observer of Nehru's actions and policies.

In discussing the Indian responsibility for the seventeen-point agreement which the Tibetans were forced to sign in 1951 and the agreement between India and China of 1954, the author points out the inconsistency of Nehru in claiming that he had to follow the British acceptance of Chinese suzerainty or overlordship over Tibet without insisting on any practical guarantees for Tibetan autonomy. For Nehru there was no difference between sovereignty and suzerainty, and he was most vague about the legal consequences of Chinese control which according to him had existed unchallenged over the last several hundred years. By accepting in the treaty of 1954 the Chinese phrase "the Tibet region of China" Nehru had gone far beyond anything the British had ever recognized and thus, in the author's view, not only accepted what actually was a British "imperialist" concept but had given away, without consulting the Tibetan government, any legal basis for challenging China's breach of the treaty she had signed with Tibet.

One weakness of this most informative book may be found in its organization. The author changes from accounts of present events to descriptions of history and back again. Material on events in Tibet alternates with material on foreign relations. The author is forced into repetitions and cross references that interfere with the continuity of the story.

A more serious shortcoming of the book may well be the author's misreading of the doctrinal past of Chinese communism and of the relationship between Communist China and the Soviet Union. He shares with many others the mistaken view of Mao Tse-tung's doctrinal heterodoxy and of the alleged special role of the peasants in the Chinese Communist revolution, a myth that seems to die hard. From this mistaken view of Communist China's dif-

ference the author is led to the belief in a Soviet fear of Communist China and to the idea that "it is in Soviet Russia's interest that Asia should not be made Communist too quickly. If India has been disillusioned about peaceful coexistence with Communist China, the disillusionment with the faith in the more peaceful approach of Soviet Russia and in the conflicting policies of the two Communist powers may yet have to come.

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SIAO-YU. *Mao Tse-tung and I Were Beggars*. Pp. xviii, 266. Syracuse, N. Y.: Syracuse University Press, 1959. \$6.00.

Siao-yu (Siao Shu-tung), a Chinese emigré academician now living in Montevideo, was a schoolmate of Mao Tse-tung after the latter entered the First Normal School in Changsha in 1912, and an intimate comradeship was maintained between the two until 1921 when Siao-yu rejected Mao's invitation to attend the founding session of the Chinese Communist party. Both were co-founders of the New People's Study Association, a main nucleus of the eventual Chinese Communist party, in Changsha in 1914; and both were active in the student-worker study program under which progressive Chinese studied in France after 1919. This charming book consists of Siao-yu's autobiographical reminiscences of his friendship with Mao and his reconstruction of the innumerable conversations between them on a large variety of subjects—on politics, morality, personal affairs, and the situation in China just prior to the organization of the Communist party. It may be read for pleasure as a literary achievement in its own right, but its prime importance arises from the fact that it constitutes a significant body of original source material concerning the personal life and ideational development of Mao Tse-tung as a young man between nineteen and twenty-eight. Siao-yu has reconstructed long conversations from memory—"my memory is one of my most precious gifts," he remarks with pride—

after a lapse of more than forty years, and consequently his reporting might be impeached on many matters of detail; yet the story he tells is generally compatible with what little is known of the subject from other scanty sources of information, and the Mao Tse-tung who emerges from these pages becomes an entirely credible Chinese personality.

The title of the volume is derived from a single episode in their long friendship. In the summer of 1917, when Siao was a teacher at Ch'u Yi School in Changsha and Mao was still a student at the normal school, the two decided to travel afoot in Hunan Province as simple beggars—panhandling for meals and lodging, writing poems and inscribing mottoes in return for small-change, and visiting with former schoolmates—in order to learn about the countryside and experience the life of the beggar (pp. 76–164). The comrades discussed their personal problems, and at meals and abed talked about the wide range of topics that might have engaged the interest of any two bright, thoughtful, and perceptive young men. More directly valuable for the purposes of history is Siao's reporting about the affairs of the New People's Study Association and the student-worker movement, as precursors of the Communist party, and about the young progressive or revolutionary leaders of the time. Nearly every important figure in the early history of the Communist party, including several who have survived the years, finds mention or characterization in these pages. Robert C. North's excellent "historical commentary and notes" (pp. 209–253) correlates Siao's reporting about Mao with the material previously supplied by Edgar Snow and Emi Siao, Siao-yu's Communist brother, in their own biographic interpretations of Mao Tse-tung, so that the book comes to incorporate nearly everything we know about Mao's early years.

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PING-TI HO. *Studies on the Population of China, 1368–1953*. Pp. xviii, 341, xxxii.

Cambridge, Mass.: Harvard University Press, 1959. \$6.00.

Every few years we have seen some contribution to the study of China's population and its historical development. This book is the broadest in scope available in Western languages. It also contains the most thorough examination of the problems that are involved.

More than one-third of the text describes the records of population in China from the beginning of the Ming dynasty; and a chapter reviews the data on land utilization. A chapter is devoted to interregional migration during this period; and one each to changing patterns of land utilization, "other economic and institutional factors" affecting population, and "catastrophic deterrents." A conclusion draws together many of the earlier points, and Appendixes summarize some of the official data on population growth, changing geographical distribution, food imports, and a remarkable series of natural calamities recorded in Hupei Province. The text is documented copiously, though not always authoritatively on demographic topics.

The author very ably explains the strange implications of these population records when treated as statistical data. The numbers have different meanings at different times and places in Chinese history. He demonstrates that these figures do not represent an aggregate picture of the Chinese population. From this it would seem to follow that the attempt to fix its size and measure its growth is ill-advised. Having convinced us on this point, however, the author proceeds to make the attempt, as has been done many times before. This demographic effort, which is a major part of the book, is its weakest portion.

The more significant part is the discussion of the factors bearing on historic population growth in China, particularly as related to political institutions. The careful reader can find additional material on this point even in the early chapters on the nature of the population records which contain the most thoughtful review of the administration of these records yet available. It seems a pity that these factors could not have been made the main object of the study and that the high level of

effort and skill squandered on assembling aggregate figures were not spent more judiciously on the institutional factors—perhaps in a detailed exploitation of certain local histories. As it is, these subjects are treated rather lightly.

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MINORU SHINODA. *The Founding of the Kamakura Shogunate 1180–1185*. Pp. xii, 385. New York: Columbia University Press, 1960. \$7.50.

Until this present volume appeared, no one book in a Western language was devoted to a detailed treatment of the founding of shogunal power, organized feudalism, in Japan. In fact, but little interest has been manifested by Western writers for the source materials necessary for such a study, one of which is the *Azuma kagami* [Mirror of Eastern Japan], a semiofficial history covering the years 1180–1266. Mr. Shinoda's study, which concentrates on the so-called "Gempei War" (1180–1185), is based on this source. The *Azuma kagami* was compiled by the Kamakura shogunate itself and "proposes to present largely the point of the [sic] view of the founders." Biased it may be, but its study does much to clarify the aims of those who established the new, nonimperial power in eastern Japan. In Part II, which constitutes roughly half of the volume, the author has provided a translation of five of the fifty-two chapters of this principal source. He constantly refers to this translation in the Footnotes of Part I.

Doubtless written at the end of the thirteenth century, the *Azuma kagami* is a chronological record of the shogunate in diary form. Since the Nara period (710–794) "official histories" had regularly been compiled and the *Azuma kagami* was meant to be of this type. It is written in an irregular and unorthodox *kambun*, and would seem to indicate that the warrior class responsible for the compilation was unfamiliar with this sort of writing. Its reliability as a historical source has been questioned, for besides incorporating house records of certain military families and those of religious establishments, it also

relied on the imaginative war romances to complete its account. "However, the reliance is far from excessive and it is more or less limited to details of the military campaigns and battles fought in Western Japan. Moreover, these historical romances as well as the other works drawn on by the editors were themselves primary sources, and hence their use by the editors to supplement shogunate materials—far from diminishing the reliability of the *Azuma kagami* as a historical source—has enhanced its over-all value." A more serious charge is the bias shown for the Hōjō family.

In Part I, Mr. Shinoda not only carefully draws the over-all picture of the crucial years between 1180 and 1185, but he is at pains to sketch the full background of feudal institutions: *shōen*, local lords, the evolutionary character of the founding. His discussion of the Gempei War is detailed; to some it will appear overly so. Mr. Shinoda's book can be used as a detailed complement to Sir George Sansom's fine general treatment of this period in *A History of Japan to 1334* (Stanford: Stanford University Press, 1958).

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KAZUO KAWAI. *Japan's American Interlude*. Pp. vii, 257. Chicago: University of Chicago Press, 1960. \$5.00.

This is an important study of selected controversial aspects of the Japanese reactions to American influence during the Occupation period. Its author was editor of the *Nippon Times* during World War II and the Occupation. He holds a doctorate in political science, and his experience includes eighteen years of teaching at American universities. To these qualifications for knowledge of his subject he adds a lucid literary style and a scholarly concern that accomplishments as well as failures shall be recognized. His book is based primarily upon his own notes and editorials, but he acknowledges aid to focus and perspective obtained from writings enumerated in his Bibliographical Notes.

He begins by examining possible reasons for the unexpected early passivity and the subsequent co-operative spirit exhibited by the Japanese people. His own explanation derives from their "situational ethics" combined with the consideration shown by the Supreme Commander for the Allied Powers (SCAP) administration. After pointing out that a background for democratization already existed in Japan, he proceeds to deal with the major features of the ambitious reformist program, those relating to the constitution, the Emperor, political reorganization, the location of political power, big business, labor, agriculture, economic recovery, education, and social change. His analyses and observations are fresh and thought-provoking. Without overloading his treatment with references to personalities, incidents, and other data already dealt with in earlier studies, he adds to our knowledge and contributes to our understanding. Political scientists will find especially helpful his ideas on the increasing deference of the bureaucracy to the political parties, the resultant improvement in the power-position of the Diet, the growing influence of younger, locally supported political novitiates as opposed to machine bosses, and the lag in popular appreciation of local self-government. Economists will value his clarification of the prewar attitude of opposition of the great trusts toward militarism, his explanation of the political maneuvering of the labor unions, and his answer to the population problem: more industrialization and more export trade. All readers will find his treatment of the socialistic bent of the university faculties instructive, though to this reviewer he overstates their ivory-tower Marxism and gives too little attention to their desire to see Japan free to develop her own foreign policy. He reserves his severe strictures for the Occupation's inane educational reforms, noting justly that they set up for Japan a uniform system which is being discarded in the United States.

HAROLD S. QUIGLEY

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EUROPEAN GOVERNMENT AND HISTORY

CARL LANDAUER in collaboration with ELIZABETH KRIDL VALKENIER and HILDE STEIN LANDAUER. *European Socialism: A History of Ideas and Movements from the Industrial Revolution to Hitler's Seizure of Power* (Volumes 1 & 2). Pp. xviii, 1179; ix, 1193-1894. Berkeley and Los Angeles: University of California Press, 1960. \$20.00.

Recent books on socialism have been unusually bulky. The work edited in 1952 by D. D. Egbert and S. Persons on *Socialism and American Life* comprised two volumes of almost 1400 pages; only in 1958 G. D. H. Cole concluded a six-volume set of the *History of Socialist Thought*; and now we have C. A. Landauer's almost 2000 pages on European socialism.

It seems as if now, when socialism has lost much of its former vigor and appeal, and has been replaced by communism in eastern Europe and parts of Asia, and suffered apparently permanent setbacks in the countries in which capitalism has been successful, extensive post-mortems on socialist policies and socialist political movements have become the vogue. The particular formula which Landauer has developed appears to perform this function best. At the beginning he concentrates on European socialism, notably in western Europe, and still more specifically the socialist movements in Germany and France. These were the countries in which most of the new ideas, parties, factions, and sects in the socialist camp flourished and grew. Secondly, Landauer devotes the bulk of his account to the events since 1890, that is, since the revival of the socialist movement in the Second International. Whereas before 1890 socialist parties were either outlawed or existed only on the fringes of Europe's political structure, after that date these parties were the organized representatives of mass movements which increasingly became eligible for participation in government. Hence the story of socialism as a movement—in contrast to the history of socialist thought which had its most important development in the first half of

the nineteenth century—enters into its most significant phase after the turn of the twentieth century.

The consequence of this is that Landauer's book, though designed to deal with both ideas and movements, contains much more material on the latter than the former. Thus, in principle it becomes a history of the socialist movement, chiefly in continental Europe, in the period from about 1890 to the outbreak of the second world war. And since Landauer was, for a significant portion of this time, a close observer of and an active participant in the European socialist movement, some of the history described in the book is an account of events which were personally witnessed or closely followed at the time of their occurrence by the author.

Though the two volumes concentrate on events which have been treated before by historians, the work presents a new and refreshing approach. Landauer has remained a social reformer and democratic socialist, and this philosophy permeates the pages of the book. But there is no distortion of viewpoint, and the valuations of the author are apparent more by the selection of facts discussed than any conscious partisanship or bias. Even the discussion of the rise of Nazism and fascism is an orderly account of social and political developments, rather than an emotionally or politically inspired story. The book tries to demonstrate and to instruct rather than to blame or to praise. The outcome is a lively and reliable account of an important piece of recent European history, and since the author conscientiously sticks to the topic he has selected for analysis, special emphasis is placed on events and episodes which were of crucial significance for the development of socialist movements and parties and which, in spite of their intrinsic interest and importance, often found only scanty treatment in general histories. Hence—to select only a few cases—such points as the details of political developments in Bavaria after the end of the first world war, the relations between the German Center party and various rightist elements, or the internal struggles in French left parties and labor unions, events which in the long run were of profound political

importance for Germany and France—are placed in their accurate political-historical perspective. The value of the book is enhanced chiefly in that it does provide, because of its focus and the philosophy of its author, an important supplement to much of the general social and political historiography of Europe in the first half of the twentieth century.

A brief comment should be made on the last chapter of the work, entitled "Socialist Theory in the Twentieth Century." Whereas the remainder of the work is primarily devoted to the discussion of socialist movements, this chapter is limited to an exposition and critical evaluation of ideas. As such it constitutes a concise discussion of post-Marxian economic theory, and it summarizes some of the best German economic writing in the period between 1890 and 1914. The high intellectual level and the profound moral earnestness of this post-Marxian economic and political theory contribute greatly to an explanation of why so many members of the European intelligentsia were attracted to socialism.

The book has a Bibliography of almost thirty pages and two excellent and detailed Indexes which enhance its usefulness as a work of reference.

BERT F. HOSELITZ

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University of Chicago

PETER G. RICHARDS. *Honourable Members: A Study of the British Backbencher*. Pp. 285. New York: Frederick A. Praeger, 1959. \$5.00.

Parliamentary government in Britain has undergone a profound change during the past hundred years. It is still formally true to say that the Prime Minister and members of the Cabinet hold their offices only for so long as they have the support of a majority of the House of Commons, but it would be most misleading not to add that, in the conditions of the modern totally disciplined party system, it is almost inconceivable that this majority should be lost except as the result of a general election. At the general election of 1959 the Conservatives won most of the seats, so there is a Conservative gov-

ernment, supported by a majority which can be expected to vote solidly for the present government no matter what it does. It seems, then, that the function of the majority of members of Parliament is to give the Government automatic support, while that of the minority is to offer criticism which can always be swept aside. "Lobby-fodder," "sheep"—these and similar terms are currently applied to members of the House of Commons, and the use of these terms is not altogether unjustified.

Perhaps the most important fact which emerges from Mr. Richards' very thorough and well-directed inquiry is that, although members of the House of Commons vote like sheep, voting is no longer their real means of self-expression. Of the 365 Conservative members elected in 1959 about fifty hold some office in the Government, and the others vote faithfully, as they are instructed, for all the Government's policies. However, they exercise a real and substantial influence, both as individuals and collectively, on the formation of the Government's policy, both in principles and in detail. The medium of their influence is partly public, through speeches and questions on the floor of the House, partly private, through expressions of opinion in the ever more important private party committees which correspond more or less with the main executive departments, and partly personal, through their constant daily contacts, as individuals, with individual ministers during the long hours which all must spend in the Palace of Westminster. There is reason to call this the best club in London, and once a man has received his first appointment to the lowest rung on the ladder of ministerial office, his chances of promotion depend in part on the impression he makes on his fellow members, not only those of his own party, but those of the Opposition too.

Mr. Richards produces a great quantity of highly significant new information as well as some very welcome statistical tables, though some of these could with advantage have been a little more comprehensive. He presents a clear and well-balanced picture of the contribution of back-bench members of Parliament to the British political process, and he shows how

it is that despite strictly controlled voting, many of them nevertheless have a part to play on behalf of interest groups, regardless of how much these groups may tend to exert their influence directly on the members of the executive departments.

If there is any flaw in the picture which he presents it is that it may perhaps slightly overemphasize the role of the backbenchers in the formation of governmental policy, in legislation, and in administration. This is perhaps just as well, because there is need for a corrective to the current exaggeration of the contrary. This book is a strictly political analysis—its value will be greatest for those who have already some knowledge of the basic theory and practice of British government and parliamentary procedure.

PETER A. BROMHEAD

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The Durham Colleges
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ARNOLD KRAMISH. *Atomic Energy in the Soviet Union*. Pp. x, 232. Stanford, Calif.: Stanford University Press, 1959. \$4.75.

After World War II, the United States and Great Britain issued comprehensive reports on the development of their atomic energy programs and subsequently supplemented them by period progress reports. The author, a member of the research staff of The RAND Corporation, sets out to supply similar information for the Soviet Union. He has screened many thousands of issues of Soviet newspapers and technical journals for this purpose. He has succeeded in giving the general reader a full, revealing, and stimulating account of past Soviet atomic energy research and its future aims.

The author shows that Soviet nuclear research started in earnest in the decade after 1920 and that, by 1940, it was evident "that in theoretical ideas and in knowledge of experimental techniques Soviet scientists were equal to their counterparts in the West" (p. 21). They scored a remarkable number of "firsts": Among other discoveries for which they are justified in claiming priority, they were the first

to observe the flight path of cosmic rays (p. 6), the first to observe a laboratory nuclear reaction caused in bombardment by cosmic particles (p. 7), the first in Europe to use a cyclotron (p. 19), and they were the first, in 1940, to obtain conclusive proof of the spontaneous fission of uranium (p. 28).

Contrary to the United States and Great Britain, the Soviets, in June, 1941, almost completely stopped their atomic research and concentrated instead on problems of immediate urgency. The author suggests a number of reasons for this decision and emphasizes that "there is a good deal of evidence that the Soviet political leaders did not become fully aware of the military aspects of nuclear energy until it was too late for them to transform their large-scale research effort into a development and production program" (p. 36).

In 1943, Soviet scientists resumed their research, and in November, 1947, Molotov could state that the Soviet Union knew the secret of the atom bomb. In 1949 the Soviets exploded their first atomic weapon and in 1953 their first hydrogen device, and they were the first to start work on the H-bomb (p. 127). In 1949 Soviet scientists commenced work on the peaceful use of atomic energy and put the first atomic power plant which delivers electric current into operation (p. 144).

My main impressions, after reading this valuable book, are: first, Soviet espionage seems to have played a smaller part in their advance in nuclear physics than is commonly assumed; second, Soviet scientists would have been capable of developing the atomic bomb during the last war and had they done so, the years after 1945 might have been less peaceful for the West; third, further advances in controlled thermonuclear research are likely and, as the author points out (p. 209), "the Soviet Union stands a very good chance of establishing further thermonuclear guideposts of political and technical significance."

OTTO HEILBRUNN

Gerrards Cross
Bucks, England

U. W. KITZINGER. *German Electoral Politics: A Study of the 1957 Campaign*.

Pp. ix, 365. New York: Oxford University Press, 1960. \$7.20.

This study of the 1957 West German Bundestag election is dubbed by its author "as being of the Neanderthal variety" and "sets out to be no more than one observer's very personal impressions corroborated or modified by the observations of colleagues with more detailed knowledge of the campaign in certain areas of the Federal Republic." It seeks, as the author tells us, "to continue the series of Nuffield election studies which has now been carried on for twelve years."

Clearly the author is a modest man, and his accomplishments in the book demonstrate at least that he has learned a lot of German politics in a very few years. In fact, in addition to presenting an excellent analysis of the strategy and tactics of the campaign, not to mention its various detailed facets, Mr. Kitzinger has particularly distinguished himself in a number of chapters, for instance Chapters IV, X, and XIV which deal with the process of selecting candidates, campaign finance, and voting behavior. Here for the first time in English we have a good explanation of the German nominating procedure. True, it is not a thorough analysis of all the contests, but as the author correctly says "a sketch of the patterns that seem to have emerged." Similarly, the very sophisticated discussion in Chapter X, together with a detailed Appendix of campaign expenditures, is a very helpful contribution.

Elsewhere in this very readable and useful volume, the author illuminates other dark corners of German politics to give a complete picture of the 1957 election. For instance in the explanation of party mergers and alliances, of the influence of the churches, trade unions, and other interest groups, and in the analysis of campaign media, the author is clear, precise, and adequate. To be sure, any important election deserves and could include more than one brief volume. Actually an earlier German study of the 1953 election is nearly twice as large as the present one under review. But in *German Electoral Politics* the reader is given a reasonably intensive and inclusive analysis of this crucial Ger-

man election of 1957 which adds luster to the long list of Nuffield College election studies and brings great credit to the author and his few collaborators.

The book includes, in addition to the special Appendix on campaign expenditures mentioned above, three illuminating, detailed studies of local constituencies: one from Lower Saxony, one from Bavaria, and one from the Rhineland. These analyses add depth and local color and detail to the over-all review.

The author concludes his study of the election by pointing out that it was the usual nonvoter who voted in 1957 who "gave the Government its resounding victory" and that "C.D.U's absolute majority of votes was won only with the help of the postal voters." Making good use of the rich German electoral data, without exhausting it, and observing electoral phenomena very acutely, Kitzinger has given us a welcome and quite indispensable contribution to an understanding of politics in the Federal Republic.

JAMES K. POLLOCK

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DOUGLAS V. VERNEY. *Public Enterprise in Sweden*. Pp. x, 132. Liverpool: Liverpool University Press, 1959. 21s, net.

Sweden's welfare state is not built primarily upon the basis of public ownership. The welfare state comprises a system of social insurances, co-operatives, public aids to housing, collective bargaining, and a redistribution of income via transfer payments and taxes. Still, though Sweden is basically a private enterprise country, public enterprises contribute not a little to her highly developed welfare state.

Unlike Britain, Sweden has not achieved her public enterprises by means of a program of nationalization. There has been little threat to private enterprise, and cordial relations exist between the public and private sectors. The state and private enterprise, for example, may collaborate in building a power station. In the case of electric power the state generates about 40 per cent of the aggregate power produced.

For the most part, public enterprises in Sweden were owned by the state from their inception. There has been little transfer of ownership whereby private enterprise has been taken over by the state. Public ownership has developed through a process of natural growth over a long period of time. Domestic private capital was inadequate to cope with large real ventures like railways and the telegraph. Thus the tradition of civil service operation of enterprises took firm root in Swedish soil. Without this tradition, timber and waterfalls might have been transferred from the Crown's domain to private companies. Instead, the Power Board and the Forest Board became great Civil Service Trading Agencies.

Public enterprise has to be sure been extended piecemeal by the state taking over here and there a considerable number of small individual enterprises which have continued to face private competition. There is state competition in road passenger transport, road haulage, restaurants, ferries, iron works, and even, to a very limited extent, in commercial banking. In other fields state monopolies prevail, as in wine and spirits and tobacco. Indeed the tobacco monopoly was formed to finance the old-age pension scheme adopted in 1913.

Mr. Verney's book is concerned not with the economics of enterprises but with administration. In Britain the prevailing form of organization is the public corporation. In Sweden the main forms are: (a) the great Trading Agencies and (b) the State Companies, often relatively small units.

The British public corporation is a separate legal entity. The Swedish Trading Agencies are not, but are operated as a part of the Civil Service. The Swedish State Companies are more like the British public corporation. They are separate legal entities and acquire property in their own name. Their employees are not civil servants. They are governed by the provisions of the Companies' act which governs private companies. They carry the same corporate prefix, namely AB, attached to their name as private companies, and so are not easily distinguishable from

private companies. But the state is the stockholder and, therefore, the Minister occupies, so to speak, the stockholder's seat.

Mr. Verney's study is a valuable contribution not only to our knowledge of modern Sweden but especially to the problems of administration and control.

ALVIN H. HANSEN

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EDMUND BURKE. *The Correspondence of Edmund Burke*. Volume II, July 1768–June 1774. Edited by Lucy S. Sutherland. Pp. xxiii, 566. Chicago: University of Chicago Press, 1960. \$12.00.

This second volume of the definitive edition of Burke's correspondence appears on schedule; the plan of the general editor, Professor Thomas W. Copeland, calls for a volume each year until the series of ten is complete. For the years 1768–1774 we have here 253 letters, including 185 written by Burke himself—all those known to exist—of which 55 are in print for the first time. Of those addressed to Burke the most important are from his political chief, the Marquess of Rockingham. Miss Sutherland's Introduction is wholly admirable, and her extraordinary knowledge provides in her notes a sure guide through the many obscure references in the text.

This correspondence, largely political in nature, provides nothing like a continuous story, for Burke, as Miss Sutherland points out, wrote letters not as a literary exercise nor for pleasure but to serve practical needs. Consequently, most of these letters were written between rather than during parliamentary sessions. Even so, they make clear once again that Burke's contribution to the Rockingham Whigs was not that of a leader determining policy but was rather derived from his qualities of mind, his skill in debate, and his restless energy in prodding some of his sluggish aristocratic associates. "You are in general somewhat Languid, scrupulous and unsystematick," he wrote to the Duke of Richmond in November 1772.

Though always loyal to the lead of his chief, Burke's ideas and his oratory helped

transform a loose connection into a self-contained group within the Whig Opposition. The Rockingham Whigs would have no part in a Whig coalition except as a single party and on their own terms. This position Burke voiced in one of his great pamphlets, *Thoughts on the Cause of the Present Discontents* (1770). And for a time the Whigs remained divided and ineffective. A semblance of unity came with the emergence of Lord North's policy in America. On reception in England of the news of the Boston Tea Party, Burke wrote Rockingham (February 2, 1774), "Your Lordship will find all your friends, though not active, yet all in their posts; in good humour with one another; . . . firmly attached to their principles and to your Lordship. As to others I hope they begin to know to whom it is they owe their present situation."

It is useful to fill out Burke's role in politics. But also, in letters hitherto not in print, we catch heart-warming glimpses of a happy family life, and an extended correspondence reveals Burke's devotion to agriculture and his success as a farmer at Gregories, his country estate. In contrast, we have darker passages concerning his wholehearted acquiescence in the questionable financial ventures of Richard, his brother, and of William, his cousin, by which a common family purse was maintained. These volumes will make readily available what material there is in the Burke papers for the study of his family life and personality.

ALFRED F. HAVIGHURST

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F. S. L. LYONS. *The Fall of Parnell, 1890-91*. Pp. xii, 362. Toronto: University of Toronto Press, 1960. \$6.50.

"In the history of modern Ireland the downfall of Charles Stewart Parnell stands out as an event of immense significance. His tragedy—romantic, total, irrevocable—overshadowed his own generation and ever since has kept its hold upon the Irish imagination."

With these words Dr. F. S. L. Lyons, Fellow in History at Trinity College, Dublin, begins the first full-length study of the

tragic last year of Parnell's life. He has retold the familiar story in an objective way, with ample documentation. He has made good use of some of the collections of papers which have only recently become available, notably the Dillon papers and the Gill papers. Documents in the latter collection throw new light on the Boulogne negotiations, late December 1890 to early February, 1891, and on the circumstances under which John Dillon and William O'Brien, while in confinement in Galway jail following their return to English jurisdiction after their sojourns in America and France, reached basic agreement on the strategy to be followed upon their release in late July, 1891.

Dr. Lyons does not neglect the human side of the story. He has many revealing comments on some of the main actors in the drama, especially Parnell himself, William O'Brien, John Dillon, T. M. Healy, Thomas Sexton, Justin McCarthy, John Redmond, Timothy Harrington, and Henry Harrison. Other important participants—Gladstone, Joseph Chamberlain, Sir William Harcourt, John Morley, Cardinal Manning, Archbishops Croke and Walsh, Michael Davitt, and, curiously enough, even Captain O'Shea and Mrs. O'Shea—are often referred to, but they remain shadowy figures in the background. Dr. Lyons handles the whole "O'Shea affair" delicately and adds little to the information that has long been available about this much-discussed subject. He seems to accept the thesis, first advanced in detail by Henry Harrison nearly thirty years ago, that Captain O'Shea "was not a deceived husband but had, on the contrary, connived at the relationship between his wife and Parnell," although he is careful to point out that this still "remains a hypothesis." He is obviously an admirer of Parnell, but while he sees in Parnell's fall a case study of "greatness overthrown by mediocrity" he concludes, nevertheless, that "Parnell was to a great extent responsible for his own ruin."

The main focus of the study is not on personalities but on "the broad issues of national policy which the crisis brought into the open." The split in the home rule movement in Ireland, momentous in

itself, led, in his judgment, to three major consequences: it "deeply and permanently changed" the Irish Parliamentary Party; it subjected "the relations between the church and a section of the laity . . . to a severe, perhaps unprecedented, strain;" and by making the Irish nationalists in Westminster dependent on the Liberal alliance it affected "the whole future of Anglo-Irish relations."

This volume is the first in the Second Series of Studies in Irish History, under the general editorship of Professors T. W. Moody, J. C. Beckett, and T. D. Williams. It maintains the high standards of the volumes in the First Series and is a real credit to Irish historical scholarship.

NORMAN D. PALMER

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University of Pennsylvania

ERICH RAEDER. *My Life*. Translated by Henry W. Drexel. Pp. xvii, 430. Annapolis: United States Naval Institute, 1960. \$6.00 (\$4.50 to members of the Naval Institute).

Grand Admiral Raeder has written a factual, sincere, and very readable story that covers his life, and in particular the forty-nine years that he served his fatherland. Few officers are alive that had a more interesting career; and there are few who suffered more as a result of professional defeats and the fickle course of history.

He was an officer in and contributed measurably to the training and efficiency of the first German Navy. He describes those times when, at the turn of the century, the Kaiser, his brother, Admiral Prince Heinrich, and Admiral Von Tirpitz bent all efforts to build and train a fleet that would approach parity with that of Britain. It was Raeder's fortune to serve in this fleet as the brilliant Chief-of-Staff of Admiral Von Hipper at both the battles of Dogger Bank and Jutland.

Raeder, outstanding leader and personnel expert, was chosen to rebuild the post-World War I Navy that fought World War II. This interesting period could be summarized with the observations: Hitler never understood the proper use of sea power, and Goering flatly refused the Navy

an air arm—all leading to Raeder's final acceptance of the conclusion of the now deceased Von Tirpitz, that "The German people never have understood the sea."

In building the new Navy, Raeder recognized that discipline must be based upon "a respect for the dignity of the individual" rather than the code of the old Imperial Navy where established class distinctions were taken for granted. Raeder stressed "the intelligent treatment of all subordinates." It is of interest that he encouraged religion in the fleet, but he soon ran afoul of the super-race myth of the Nazis that was the essence of the so-called "German Religious Movement." Raeder was devoutly religious, a powerful prop that sustained him in his ordeal of trial and imprisonment.

The Admiral had many differences with Hitler and his lieutenants, some of them over the Nazi attacks on the Christian churches and the treatment of the Jews. Many of Raeder's beliefs were anathema to the new regime of "super-men." Also in the areas of strategy and tactics, Hitler and Raeder often disagreed. This led to Raeder's resignation in 1942 as the Commander-in-Chief of the Navy. Admiral Donitz took over the Naval High Command.

These memoirs should be of absorbing interest to both professional and reserve officers of all Navies. Those in other services and, in particular, students of military history should find in the autobiography of this dedicated old sailor, superb staff officer, and born leader some of the reasons why the Führer lost the war.

LELAND P. LOVETTE

Vice Admiral

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LOUIS LISTER. *Europe's Coal and Steel Community: An Experiment in Economic Union*. Pp. 495. New York: Twentieth Century Fund, 1960. \$8.00.

This book will inevitably be compared with William Diebold's *The Schuman Plan: A Study in Economic Cooperation 1950-1959*, which was reviewed in these columns in January, 1960. No comparison is intended here except to indicate that the two books cover to a large extent the same

ground. But while Diebold's volume presents a broad, comprehensive investigation of the European Coal and Steel Community (ECSC) within the historical and political conditions of the time, Mr. Louis Lister, an expert on the coal and steel industries in this country and a member of the United States delegation to the Community in 1952-1953, has limited the scope of his study to a technical economic examination of the institution. He concentrates on the essential economic developments of it during the first six years.

Launched in 1952, the Coal and Steel Community, comprising Belgium, France, West Germany, Italy, Luxembourg, and The Netherlands, was the first major step of the movement for European integration. Its basic economic aims were to federate the coal and steel industries of the member nations under a supranational authority and "promote greater average productivity or efficiency" in the two sectors "by means of greater regional specialization in the most advantageous districts" of a free trade area. After a brief survey of the historical background of the ECSC idea, of its organization and objectives, and a description of the agency's producing areas and markets, Lister subjects the actual workings of the Community to careful scrutiny in order to ascertain how effective it has been in reaching its goals. He analyzes costs of production and investments, corporate concentrations, restrictive business agreements and price practices in each of the two industries, as well as the external commercial policy, transport rates, and social policy of the member states.

Lister's evaluations of the Coal and Steel Community are noteworthy and may be summarized. He makes clear that, though the Community has succeeded in abolishing customs barriers to the trade in coal and steel among the member nations, it has not achieved complete economic union. The author blames this on the insistence of the members of maintaining intact the traditional forms of national sovereignty and their unwillingness to support a central authority. But then "The coal and steel industries," he argues, "were not the most tractable ones with which to start the experiment of freeing trade and prices be-

cause freight costs in both industries tend to create separate markets, because of the structure of ownership and the long history of concerted practices, because individual governments exercise strong influence over the two industries, and because the coal industry is so labor intensive." And as the national governments "have continued to exercise power even in the fields from which they were supposed to have withdrawn" under the terms of the ECSC Treaty and have been reluctant to sever the coal and steel industries from their economies, this has resulted in the Community remaining "a partial economic union."

However, with regard to promoting greater average efficiency by means of greater regional specialization and trade, Lister notes that, though "Competition through the price mechanism has not been legislated into existence in the steel industry as the means for raising average efficiency through greater regional specialization, . . . Greater economies of scale through concentration may . . . well be one of the results of the early history of the common market so far as the steel industry is concerned." In the coal industry, on the other hand, "Improvements in average efficiency through greater regional specialization . . . depend in present circumstances not on the price mechanism but on administrative decision and coordination. Attainment of the best results for the least amount of capital thus far has depended on exhortations from the High Authority, hoping that each country or mining district will plan its future with the welfare of the Community as a whole in mind."

ARTHUR LEON HORNIKER

Washington, D. C.

UNITED STATES GOVERNMENT AND HISTORY

RICHARD E. NEUSTADT. *Presidential Power: The Politics of Leadership*. Pp. xii, 224. New York: John Wiley and Sons, 1960. \$5.95.

This is not an investigation of the presidential power derived from the Constitu-

tion, statutes, and usage but instead a study of the President's status, prestige, and influence that in fact empower him "to execute the office of President." Neustadt wants to know "what he does today looking toward tomorrow from today" that invigorates the executive arm. It is astounding how long such a supremely significant investigation has been delayed, but here at last are the "facts of life" that every young president should know.

Eisenhower, the amateur, assumed that to give an order sufficed and reacted with shocked astonishment when his directions bounced back while Truman, the professional, accepted such failures with resignation. Mere formal power to direct may prove futile. A president who fails to publicize adequately his purpose may experience what Eisenhower did when he failed to clarify any intentions with respect to Little Rock, and Faubus judged he could act in defiance of a federal court order.

Bold strokes of the president that once astonished the public, such as Theodore Roosevelt's intervention to settle the anthracite coal strike in 1902, are routine today prescribed by statutes while usage, quasi common law, now obligates the president to do what the statutes omit. Let him neglect legislative leadership or fail to push his budget before Congress, and his indispensable prestige can plummet. Eisenhower experienced this when he failed to sense the peril in his Secretary of the Treasury Humphrey's bombing of his budget of 1957 with the prediction of a "hair curling" depression.

Instead of standing firmly by his own budget, the president admitted it was too high, thereby virtually inviting Congress to cut it. Eisenhower Republicans in Congress were dumbfounded. Such was the confusion created and the consequent damage to the President's prestige that a year later when a technician of the Bureau of the Budget speaking before a House subcommittee closed his recommendation with the statement that it was "essential to the President's program," the phrase was greeted with hilarious laughter. But from this nadir of presidential prestige, a "new Eisenhower" arose, recovered the initiative,

vigorously defended his budgets, and the laughter stopped.

Public prestige as an essential of presidential power stands out in bold relief in the contrast between the President Truman of early 1948 when his party sought to discard him and the later militant victor of the 1948 election. The president himself must preserve his prestige since no one else can. Franklin Roosevelt habitually did this. Eisenhower belatedly learned the lesson.

WILFRED E. BINKLEY

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CARTER GOODRICH. *Government Promotion of American Canals and Railroads 1800-1890*. Pp. x, 382. New York: Columbia University Press, 1960. \$7.50.

This penetrating and scholarly work is a major contribution to an understanding of United States economic development in the nineteenth century; but peripherally it also illuminates certain crucial contemporary problems of economic development. Drawing upon his own well-known research and administrative experience in the international field, as well as on the incisive work of many other students of the early promotion of transportation, Professor Goodrich casts much light on internal improvements in the 1900's. He demonstrates that in the period 1815-1860 public agencies—federal, state, and local governments—contributed about 70 percent of the construction costs of canals and between 25-30 percent of the construction costs of railroads. In the south, the proportion was 55-75 percent; and for three of the four trunk lines, it was about 50 percent.

If the evidence indicates clearly that laissez faire policy was a myth, what policy did prevail and what were the forces determining that policy? Professor Goodrich's work clearly illustrates that public policy was pragmatically aimed at stimulating economic growth through whatever means appeared to be most effective in the particular situation: "The rejection of the federal government as the principal agency of the [internal improvement] program is partly to be explained by constitutional

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383 Madison Ave., New York 17, N. Y.

scruples and the doctrine of states' rights and perhaps even more . . . by the inability of rival local and regional interests to agree on a common national program."

The aid that government agencies gave to promote internal improvements varied and reflected the spirit of improvement and innovation that permeated much of our early economic development. Most people know of the federal government's largesse in granting wide tracts of land to promote the construction of railroads, but the general involvement of cities, counties, and states in the construction of railroads and the variety of techniques used by these units to promote construction—such as stock subscription, mixed enterprise, loan guarantees, and the like—are less widely known.

Starting with a chapter on the federal government's role in internal improvements early in the century, Professor Goodrich details a federal-state-local contrapuntal pattern of government promotion throughout the century. Next, the book deals with the activities of states, counties, and cities in the many efforts to penetrate the Appalachian Barrier and in the widespread commitment to internal improvements on local and sectional levels up to the Civil War. The book then returns to the federal intervention theme, 1850-72, when the rapid and ubiquitous growth of railroads was expedited by monumental federal land-grant subsidies and other assistance. Recounting the details of the state-local programs from 1861 to 1890, Goodrich develops finally the theme of local-sectional interest.

Without doubt the great value of this work is the very richness of material which makes possible a more meaningful view of United States economic development and government policy in transportation—a view much closer to the realities of the times, realities that have been put into quantitative terms. Moreover, despite the many caveats about applying mechanically the "lessons" of history to contemporary problems, it is clear that at the very least, Professor Goodrich's categories of developmental and exploitative internal improvements help to put any underdeveloped

country's transportation problem in a useful frame.

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CHESTER BOWLES. *The Coming Political Breakthrough*. Pp. xi, 209. New York: Harper & Brothers, 1959. \$3.75.

The election year of 1960, thinks Chester Bowles, can see a "political breakthrough" for the American people from twelve years of "marking time" to a new national consensus releasing all our energies for an assault on the problems and perils which beset us.

How can this come about? The author, a Member of Congress from Connecticut whose distinguished public career is too well known to need recounting here, bases his optimism on a "theory of political growth." The two parties, operating within the "framework of a broadly accepted code of conduct," alternately enjoy power. Leaders of the minority sense a demand for new answers to old problems; as the "party of hope" they engineer a "breakthrough" to a new consensus, first opposed, then joined, by the "party of memory." Three such breakthroughs have occurred in our history—in 1800, 1860, and 1932, each followed by a period of dominance by the party achieving them.

The new breakthrough will come because of our growing concern over the challenge of the Soviet Union, with its threat of nuclear war. To meet it successfully, says Bowles, we must win the friendship of the other two-thirds of mankind. How? The task is "to demonstrate in practical terms that the American Revolution, as Jefferson once said, 'belongs to all mankind.'" Reaffirming the dimension of moral power is the new realism.

Our program must consist essentially of two goals. The first is to build an adequate defense barrier for the free world against the Soviet power system. The second is to develop free societies behind the barrier and revitalize our own democracy.

The key to the problem, Bowles clearly believes, lies in unleashing and driving the

American economy. Khrushchev, he reminds us, has declared economic war on us, with a confidence based on the Soviet economy's seven-year annual growth rate of 9.5 per cent. Bowles believes we must reach and maintain a rate of 4-5 per cent; not inflation but slow growth rate, caused by restrictive governmental policies, is the real danger. But rising prices and recessions must and can be controlled by bolder and more sophisticated use of compensatory spending by government. Our pressing needs, which if met will improve the quality of our life, are inventoried specifically and convincingly.

Which is the "party of hope"? Not the Republicans, thinks Bowles—a liberal President would be shackled by conservatives in his party. The Democrats can be, if they face courageously the right of Negro citizens to full equality.

One strength of the book is that its ideas are not really new—we have done all that it suggests, discontinuously and imperfectly perhaps, or proved that we could. Surely another is the author's boundless faith in American capacity for achievement once we set our faces to the task.

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MONROE BERKOWITZ. *Workmen's Compensation: The New Jersey Experience*. Pp. xiii, 298. New Brunswick, N. J.: Rutgers University Press, 1960. \$6.00.

This is the first in a series of studies projected by the Institute of Management and Labor Relations of Rutgers University designed to analyze and appraise conceptual and operational problems in such fields as social insurance which affect the interests of management and workers in New Jersey. The primary purpose of the present study is an objective examination of the functioning of the workmen's compensation system of that state, but the findings are comprehensively compared with experiences in other jurisdictions throughout the United States.

Following an introductory statement of workmen's compensation problems in general, in which the development of work-

men's compensation legislation and the provisions of the New Jersey statute are set forth, the author proceeds to a critical examination of the trends in such legislation and the New Jersey experience. Detailed attention is given to the adequacy of workmen's compensation payments, permanent partial disabilities, the administration of workmen's compensation claims, the administration of the New Jersey act, the financing of the program in New Jersey through private insurance companies rather than an exclusive state fund, rehabilitation and medical care, second injuries and the employment of the handicapped, heart cases and radiation hazards.

The merits and deficiencies of the New Jersey statute and its administration are examined in detail with admirable objectivity. The author does not confine his attention to a critical review of shortcomings in the New Jersey experience but throughout the study weighs constructively comparative programs of remedial action, drawing generously upon the more liberal and progressive measures in other jurisdictions.

In the final chapter the author discusses "The Future of Workmen's Compensation." Valid criticisms as well as unwarranted exaggerations concerning the operation of workmen's compensation programs are clearly recognized, as is the urgent need for improvement. He is admittedly pessimistic with regard to the probability of effective improvement, except perhaps through incorporation of the workmen's compensation program into an integrated social insurance system at the federal level. The suggestion of such incorporation will, of course, immediately revive the endless controversy over centralization versus decentralization of political control and administration.

This is an unusually valuable study which will richly repay thoughtful reading by all who are interested in and concerned with the workmen's compensation program, not only in New Jersey but throughout the United States.

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CARL BECK. *Contempt of Congress: A Study of the Prosecutions Initiated by the Committee on Un-American Activities, 1945-1947*. Pp. xii, 263. New Orleans: Hauser Press, 1959. \$4.50.

This is a useful little book. It cannot, however, be regarded as a substantial treatise on the law of contempt procedures or as a definitive study of congressional investigations. It is, rather, a well-organized compendium of committee hearings, congressional actions, and court decisions arising from the business before the Committee on Un-American Activities in the period 1945-1957. The scope of the study, the mass of evidence reviewed, and the brevity of the text (189 pages) preclude extensive investigations or a full analysis of all pertinent issues.

Beginning with two introductory chapters: "I. Development of the Contempt Process" (pp. 1-16) and "II. The Power to Subpoena Documents" (pp. 17-40), the study moves to an examination of hearings conducted by the Committee, emphasizing especially its exercises of contempt procedures, and to a summary analysis of subsequent steps including final disposition in the courts. The author has carefully assembled a mass of data and catalogued it in terms of the constitutional issues involved. He has briefly yet conscientiously traced the history of each case to its final disposition. In Appendix A he presents and identifies all contempt citations for the earlier period, 1787-1943. Appendix B and an Addendum list in chronological order all citations originating with the House Committee on Un-American Activities. In another half-dozen pages, Dr. Beck presents in tabular form selected information on a wide variety of contempt cases. The book also contains a Table of Cases, a Selected Bibliography and a brief Index. The documentation is adequate.

Even though apparently overambitious in scope, the study bears ample evidence of scholarly dedication, of great industry, and of some ingenuity in approach and treatment. Handicapped as he is by textual limitations, Dr. Beck nevertheless finds some space to state his opinions, convictions, and biases. He is impliedly unsym-

pathetic, perhaps thoroughly disgusted, with the activities of the Committee on Un-American Activities, hostile towards its procedures, and critical of both congressional and judicial review of much of the work of the Committee. One may infer that the evidence demonstrates abuses of power by the Committee and an almost complete abdication of basic responsibilities by Congress and, to a lesser degree, by the courts. I am not quite sure where the author stands on interpretations of constitutional issues. The doubts arise because too frequently Dr. Beck's appraisals and criticisms are limited to unargued and undocumented assertions and are otherwise beclouded and enfeebled for want of adequate development. In spite of its limitations, teachers and researchers in this area and period of constitutional interpretation will be indebted to Dr. Beck for this compilation of basic data.

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CORWIN D. EDWARDS. *The Price Discrimination Law: A Review of Experience*. Pp. xxii, 698. Washington, D. C.: Brookings Institution, 1959. \$10.00.

Corwin D. Edwards has produced an exceedingly illuminating and important volume even though he found it impossible to carry out his original plan. It had been hoped and planned to give only a minimum of attention to litigation before the Federal Trade Commission and the courts and to ascertain from field interviews and case studies "what happened after orders under the Robinson-Patman Act were issued" (p. ix). Unfortunately the original plan could not be fulfilled; hence it was revised "to include an analysis of the litigation under the Robinson-Patman Act as well as the changes in business practice that followed this litigation" (p. xiii). No endeavor was made to "analyze the scope and effect of the private law suits" (p. xiv) because information derived from such proceedings was not readily available.

The volume begins with a brief legislative history of the Robinson-Patman Act. This section will illuminate little for in-

formed readers but will provide some perspective for the initiated. After brief discussions of the content of the statute and of enforcement by the Federal Trade Commission, the leading provisions and issues are discussed, including brokerage, proportionality in payments and services, quantity and volume discounts, quantity limits, functional discounts, territorial discrimination by price formulas, meeting competition as a defense, cost justification, and miscellaneous matters. Practitioners—public and private—business executives, scholars, and students will find all of these interpretive reviews tremendously useful and revelatory.

In two final chapters Dr. Edwards makes an over-all appraisal of the price discrimination law and suggests the lines along which the law might be revised or rewritten. The author concludes that the law has been only partially successful, partly because it was written too largely in terms of the problems and conditions in the food industries (p. 621) and experience has indicated that "the problem posed by discrimination was more complex than had been envisaged by Congress" (p. 620). On the credit side "there is strong reason to believe that the statute has afforded effective protection against the price-cutting activities of predatory would-be monopolists and that it has substantially reduced the discriminatory advantages in price enjoyed by large buyers" (p. 622). On the opposite side have been the tendencies (1) to reduce the vigor of competition (p. 630), (2) to diminish the flexibility of prices, to make sticky prices stickier, and in general to reduce the responsiveness of the price system (p. 631), and thus (3) to evoke a dual standard in public policy under the Sherman and Robinson-Patman Acts (p. 633).

Suggestions regarding policy are made in the perspective of the above consequences and the belief that "the objective of preserving equal opportunity is an appropriate focus for a law of price discrimination" (p. 641). Space cannot be taken here to review all aspects of the suggestions for amending or rewriting the law. In essence "the focus of public policy should be shifted from efforts to control market be-

havior to efforts to prevent undue concentrations of power" (p. 641). A remodelled statute with this focus admittedly "would bear little resemblance to the Robinson-Patman Act" (p. 646).

But this interpretive sketch, like the author's own summary (see p. 656), suggests far too little concerning the full treatment by Dr. Edwards. *The Price Discrimination Law* should be on the must list for all concerned with the Robinson-Patman Act.

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Continuing Legal Education for Professional Competence and Responsibility. (The Report on the Arden House Conference, December 16-19, 1958.) Pp. xviii, 315. Philadelphia: Joint Committee on Continuing Legal Education of the American Law Institute and the American Bar Association, 1959. \$5.00.

This book is an annotated version of the statement of the consensus reached during a four-day conference at Arden House. The conference, called by the American Law Institute and the American Bar Association, of 110 members of the bar, including some judges and law teachers, considered in the main the problem of how through continuing legal education an awareness of professional responsibility could be maintained and increased among the bar. While the conference was called to consider both questions of competence and responsibility, the emphasis during the course of the proceedings shifted to responsibility. It was recognized that "Programs for continuing education thus far have placed a major emphasis on professional competence and have not always given to professional responsibility the attention it should have. In the future these programs must also emphasize the professional responsibilities of the lawyer. They must help the lawyer to fulfill a wide range of professional responsibilities: to the courts, to the administration of justice, to law reform, to the law-making process, to his profession, and to the public." In addition to the annotation of the consensus

statement, the volume contains in Appendices the addresses given at the conference by Judge Learned Hand, John Lord O'Brian, Dean Erwin Griswold, Judge Charles Wyzanski, Jr., and Robert Blakely, and contains also various accounts of some continuing legal education programs now in effect in the United States. The conference was made possible by a grant from The Fund for Adult Education.

In part the volume then is an addition to what has been described by Professor Mathews of the Law School of Ohio State University as a "crescendo of hortatory material" dealing with the need for action or education in the field of legal ethics or professional responsibility. The annotation sets forth a "classification of opportunities and responsibilities which may clarify further consideration." This classification includes responsibilities (1) "in actual practice towards lawyers, judges, the administration of justice and the public"; (2) "in areas adjoining actual practice, such as the administration of justice, selection of judges and the like; reform of law both procedural and substantive; representation of all persons, although poor or unpopular"; (3) "in other areas which have recently become important, for example those concerning the development of administrative and international law, and professional relations with foreign lawyers"; (4) "to take judicial, legislative and government positions and in the conduct of these offices"; (5) "to the profession through active participation in the work of the organized bar"; and (6) "to the public of a general character, such as service on educational and charitable boards, leadership of public opinion and community leadership."

This volume may provide some insights for those interested in the process of communication within a somewhat sprawling profession which possesses considerable monopoly power, although much less perfect than that devised for the practice of medicine, and for those interested in the reactions of a segment of a profession which has correctly regarded itself as charged, along with some other groups, with special responsibilities for leadership in civil affairs. The volume must be taken

as an expression of faith, a manifesto, and in some mysterious way it will be an effective guide to action. Future action will be reflected in the work of bar associations, law schools, and special professional adult educational groups. It will be reflected also in the conduct of the bar and perhaps the understanding of the public, with respect to such matters as the representation of unpopular causes or persons and the reorganization of the courts for the better administration of justice.

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ROBERT H. BREMNER. *American Philanthropy*. Pp. vii, 230. Chicago: University of Chicago Press, 1960. \$4.50.

Dr. Bremner, a professor of history at Ohio State University, gives himself no small task in writing this book by accepting a very broad definition of his subject. "The aim of philanthropy in its broadest sense," he says, "is improvement in the quality of human life." He therefore endeavors to present in popular terms, from earliest colonial times to the present, American voluntary activities in the fields of charity, religion, education, medicine, humanitarian reform, social service, war relief, and foreign aid. He is the first to admit that "readers may look in vain for mention of favorite philanthropists," though he does mention many, and that he must limit himself to "a narrative of some of the major trends in American philanthropy." The book has no footnotes, an omission that will distress students in the field but probably delight general readers.

Granted these limitations, *American Philanthropy* is an interestingly written, informing introduction to the changing patterns of American philanthropy and reform movements through three centuries. It is properly critical of indiscriminating efforts, including the society lady who admired bread lines and asked about the costs because "I'd love to have one," but also mentions those so fearful of pauperizing the poor that the only commodity they dared offer was advice. The author places considerable emphasis upon the de-

velopment of social work and "scientific philanthropy" and the later expansion of government services into areas once a primary responsibility of private agencies. The concluding sections of the book, appraising developments during and since the Great Depression, seemed to this reader fuller and better balanced than the early historical chapters. Financial data are scarce and inadequate. A final chapter looks forward to the world responsibilities of American philanthropy.

There is an excellent Bibliography for suggested further reading and a good Index.

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LESTER J. CAPPON (Ed.). *The Adams-Jefferson Letters: Complete Correspondence Between Thomas Jefferson and Abigail and John Adams*. Vols. 1 and 2. Pp. li, 638. Chapel Hill: University of North Carolina Press for the Institute of Early American History and Culture at Williamsburg, Va., 1959. \$12.50.

The correspondence of John Adams and Thomas Jefferson, declares Dr. Julian Boyd, dean of editors of the writings of American statesmen, "remains unrivaled, in the United States at least, for its revelation of two writers' minds and characters, its literary distinction, and its historical importance." I would not limit its rank and purview to America. It is almost as if Voltaire and Rousseau had exchanged intimate friendly letters on men and measures, philosophy and politics, throughout their long lifetimes. In the case here noted, each of these two men had been fathers of American independence and presidents of the United States. And in one of the most remarkable personal exits in history, both departed this life on July 4, 1826, almost within the same hour, exactly fifty years after adoption of the Declaration of Independence, which they had combined to draft and sign.

The correspondence of these great men, throughout their half century of United States history, has long since been available in print and admired by their posterity. But it has never been brought together in one convenient publication.

Readers formerly had to pick it out from successive editions of the over-all writings of Jefferson and of John Adams. Most of these editions were published before historical editing had reached its present refinement of perfection in this country, and, in them, selected letters of Adams and Jefferson were usually taken from the writer's retained copies rather than from the actual letters as signed and received. There can be a significant difference in the two documents.

A project to publish the 380 letters—189 from Adams, 164 from Jefferson, 27 from Abigail Adams—by themselves, in one edition, has been on foot since 1948, conceived by Carl Bridenbaugh, former director of the Institute of Early American History and Culture at Williamsburg, Virginia, forwarded by successive editors, Donald Mugridge, and Lyman Butterfield, and supported by a grant from the Rockefeller Foundation.

But it fell to the capable Lester J. Cappon, present director of the Institute, to take over and carry through the project. The present volumes may properly be credited to him, and their quality proves that the work could not have been entrusted to a more capable scholar, nor the printing to a more competent press.

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MAX HALL. *Benjamin Franklin and Polly Baker: The History of a Literary Deception*. Pp. xi, 193. Chapel Hill: University of North Carolina Press for the Institute of Early American History and Culture, Williamsburg, Virginia, 1960. \$5.00.

This is a lighthearted book about a lighthearted subject—one of Benjamin Franklin's roguish literary escapades. The affair had its beginnings in April 1747, when a leading London newspaper, the *General Advertiser*, printed a dramatic courtroom speech purported to have been delivered "at Connecticut near Boston in New England" by one Polly Baker "who was being prosecuted for the fifth time for bearing a bastard child."

The account reported Polly as admitting the charge but, at the same time, denying indignantly that she was guilty of any real wrongdoing against God or man. Said Polly, "I have brought five fine children into the world at the Risque of my life." She had not, she said, "debauched any woman's husband or enticed any youth," nor had she ever refused "any bonafide proposal of marriage." Declaring dramatically that the man who had originally seduced her was now a magistrate of the court, she inquired "how could her offense have angered heaven" when "God has been pleased to add his Divine skill and admirable workmanship" in the formation of her children's bodies and "crowned it by furnishing them with rational and immortal souls."

The entire story was of course a clever and bawdy literary fraud, apparently contrived by Franklin with the connivance of the paper's editor. But the account swept like a brush fire through the press of Britain, the continent, and America. At least five British newspapers had published the tale within a month. The *Gentleman's Magazine* picked up the tale immediately, embellishing it with the additional information that the guilty magistrate had been so overcome with remorse that he had married Polly on the spot and that she had subsequently borne him fifteen additional children. By July and August, the story was front-page news in the *Boston Weekly Post-Boy*, the *New York Gazette*, and the *Annapolis Maryland Gazette*. Polly's story was in vogue in France during the 1770's, when the Abbe Raynal incorporated it in his *Histoire Philosophique*, and both Diderot and Brissot de Warville thereafter used the tale for their own purposes to propagandize against the Ancien Regime. It was Franklin himself who revealed his authorship in an offhand fashion to Raynal, and subsequent scholars from Jefferson and Voltaire to Carl Van Doren have quite generally accepted this account as correct.

The subject of the present work is hardly profound, but the author has nonetheless turned it into a kind of model of historical scholarship and literary criticism. By his zeal and conscientiousness in collecting the evidence, collating documents, and in

matching conflicting accounts, he has succeeded in producing a delightfully written and scholarly book.

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G. M. WALLER. *Samuel Vetch: Colonial Enterpriser*. Pp. x, 311. Chapel Hill: University of North Carolina Press for the Institute of Early American History and Culture, 1960. \$6.00.

The course of eighteenth-century history is not solely explained by a knowledge of the British colonial system. Workable in theory, perhaps, that system was certainly beset by adventitious factors. The life of Samuel Vetch illustrates the problems which arose in shaping a colonial policy, the general ineptitude of eighteenth-century bureaucracy, and the tangled process by which Americans groped toward colonial maturity. The availability of family manuscript collections in more recent years has permitted an evaluation of the interrelationship of many activities that previously had to be treated as separate political, commercial, or personal occurrences. A biography such as this provides valuable insight into the history of the period. Enlivened by glimpses of family life a biography can be far more readable. The publication of this volume is well justified even though the basic facts of the career were mostly established in studies published before 1900.

The birth and early training of Samuel Vetch in Scotland, family life with his father, a leading clergyman of proscribed Covenanters, flight to Holland and education there, service on the continent as an officer in the armies of the Protestant Alliance, the great hopes and dismal collapse of the efforts of Scotland to colonize the Isthmus of Darien in spite of hostile English merchant influence in court, and arrival of the starving refugees in the harbor of New York in August 1699 are all covered in two short chapters. Vetch was a cousin of Robert Livingston. He soon contracted with him for food and supplies for the refugees, established major business contacts with the firm of Delancey and

Wenham, and married Margaret Livingston. For a decade his trading activities from New York and Boston, as close to the edge of the law as was then customary, led directly toward plans for British expansion against French Canada. Vetch's knowledge of the St. Lawrence and the coasts of lower Canada contributed much to his later success as an official.

A few historians previously have recognized the importance of Vetch in connection with the expeditions against Canada, but only now is his full contribution evident. His achievement was remarkable in that he successfully merged a number of colonial plans with those of the Ministry in London, maneuvered for years, bribed where it was customary, combined church, partisan, and Scottish nationalist support, and efficiently led expeditions in the field. He risked his entire personal fortune and died in debtors' prison in London in 1732. But he had personally seen the earlier British victories in Canada in 1710, and his wife lived to the years of the final successful British attacks nearly half a century later.

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BRUCE CATTON. *Grant Moves South*. Pp. x, 564. Boston: Little, Brown and Company, 1960. \$6.50.

One does not have to read very far into this book before realizing that an excellent choice was made in selecting Bruce Catton to complete the multiple volume biography of Ulysses S. Grant which the late Lloyd Lewis began a decade ago with *Captain Sam Grant*. Catton's national reputation as a writer on the War Between the States is enhanced by *Grant Moves South*. For years Grant was overshadowed in American historiography by other military leaders. Moreover, Grant has been blamed for the low public morality and general dishonesty in the national government during his two terms as President. From this nadir of popularity he has only recently emerged. Unfortunately neither Kenneth P. Williams, the author of *Lincoln Finds a General*, nor Lloyd Lewis lived to com-

plete their studies on Grant. In the publication of this volume a notable step has been taken in the evaluation of Grant as a military and political leader.

Grant Moves South covers a period of a little more than two years, June 1861 to July 1863. Physically, Grant never looked like a military hero. His habits of dress and his mannerisms contributed to his nondescript appearance. That Grant successfully emerged as the ablest military leader of the Union and the co-ordinator of all the federal forces is attestation enough of Lincoln's correct evaluation of Grant's ability. At last, the Commander-in-Chief had found his General. Indeed, Lincoln and Grant possessed many similar and admirable traits of character.

Although Catton focuses attention on military strategy and tactics more sharply than other biographers of Grant have done, he never loses sight of the many complex problems which plagued his subject. The general was forced to cope with such matters as contraband commerce, mails, passes, slaves, and supplies. The author's discussions of these problems are full and revealing, as is his entire writing about Grant during the period dealt with in his book.

As Lincoln was growing in stature by meeting his responsibilities as President, Grant likewise was developing by facing his problems on the field of battle. The author concludes that Grant did not arrive at the fullest development of his faculties until the height of the Vicksburg Campaign, July 1863. Henceforward, with Lincoln's support, Grant was confident of his success.

In the avalanche of books on the War Between the States now flowing from the presses, *Grant Moves South* occupies a conspicuous position among the best. All persons interested in biography will welcome this book and will await with anticipation the volumes which will complete the biography of Grant.

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DONALD BRUCE JOHNSON. *The Republican Party and Wendell Willkie*. Pp. ix, 354. Urbana: University of Illinois Press, 1960. \$5.50.

Looking back at the election of 1940 Irving Stone once wrote of Wendell Willkie that he was the only defeated candidate "who, a few weeks after the election, was being patted enthusiastically on the back by his erstwhile opponents and kicked in the rear with equal enthusiasm by his erstwhile friends," and small wonder. The Republicans, the party of McKinley and Hoover, had selected an internationalist, a political innocent, an inept organizer, and horror of horrors, someone who had once voted for Franklin Delano Roosevelt and saw some value in much of the New Deal's social legislation. How he managed to obtain the nomination, yet ultimately lose his party, is the substance of this definitive, exhaustive, and strikingly well-written book.

The basic story is familiar. Confronted by mediocrities, guided by northeastern financial giants and Ogden Reid's New York *Herald-Tribune*, and utilizing a clever publicity program, Wendell Willkie's image was favorably impressed upon millions. He was, in addition, a fresh, candid, articulate personality and the perfect opponent for Roosevelt. After his defeat, he continued as the "loyal opposition," traveling around the world and trying to lead the Republicans into an acceptance of the Administration's support of the British and later, into an acknowledgment that this country had fundamental postwar international obligations it could ignore only at its peril.

In the early months of 1944 he entered the primary in a Wisconsin so thoroughly isolationist that "the record of its representatives on the floor of the House prior to 1944, was one of complete opposition to the principles for which Willkie stood." Why he chose to make his stand there remains something of a mystery. The author believes this decision was determined by his advisors and the hope that "if he could win a majority of the twenty-four delegates from this area . . . he would be off to a flying start. . . ." Unwise as it now seems, he was adjudged a favorite by many seasoned observers. Furthermore, Wisconsin's impossible cross-filing preferential primary law has impaled keener politicians on the cross of enthusiasm generated by the heat of campaigns. Perhaps he should have ignored Wisconsin; yet the

nomination would have never been given him again, for this extraordinarily free man who had so many admirers outside his party had so few within it.

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OTHER COUNTRIES

S. D. CLARK. *Movements of Political Protest in Canada, 1640-1840*. Pp. viii, 518. Toronto: University of Toronto Press, 1959. \$6.50.

In at least one important respect, this study by Professor Clark of the University of Toronto is iconoclastic. It challenges the traditional view that the Canadian people have always shunned the radical experiments of the United States and have invariably sought through an orderly process to adapt their political traditions to changing circumstances. Through a detailed examination of Canadian protest movements from 1640 to 1840, the author proves that Canada has had her full share of radicalism and convincingly argues that "in terms of the kinds of movements which grew up, there was no essential difference between Canada and the United States."

The Canadian movements resembled those in the United States simply because they were inspired by similar influences. On both sides of the boundary vast land masses and ineptness of political administration bred political discontent and offered unlimited opportunities for the growth of radicalism. The ultimate outcome, however, was different. South of the boundary the spirit of the frontier was able to incorporate its principles and programs into the American constitution; whereas north of the boundary the frontier spirit regularly met defeat. The American revolutionary movements succeeded because they came to be identified with the strengthening of the American political community as a whole; the Canadian failed because they came to be associated with disloyalty: "they meant exposing the frontier to forces of American expansion and threatening

thereby the separate political existence of the Canadian community."

In most respects the book is admirable. The various movements are thoroughly and carefully analyzed; the arguments are documented by extensive quotations from original sources; and the prose, while not distinguished, is serviceable. The reviewer, however, is inclined to challenge some of the author's very broad statements. For example, he questions whether the French settlers actually viewed the English attacking forces of 1690 as "something of the character of liberation" (p. 24); whether the Canadian habitant population viewed the British conquest of 1760 "as an act of emancipation" (p. 89); and whether "the American Revolution began as a movement for the political liberation of the population of Nova Scotia and Canada" (p. 50). He likewise views as too unequivocal the assertion that the western American movement of political democracy "forced the American Republic into war with Britain in 1812" (p. 237). British violation of American neutral rights is generally admitted to have also been a factor of some significance. But all of the examples relate to matters about which there are grounds for a difference of opinion.

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EDWIN LIEUWEN. *Arms and Politics in Latin America*. Pp. xiii, 296. New York: Frederick A. Praeger for the Council on Foreign Relations, 1960. \$4.75.

This valuable book goes far toward supplying a long needed systematic discussion of the role of Latin America's military in politics. In fact it goes farther than that, for Professor Lieuwen's study covers more than its title indicates. The book is divided into two parts, Latin America's Armed Forces and Military Aspects of the Latin American Policy of the United States. The first and longer section deals with the position of the military on the domestic scene, under such chapter headings as "The Armed Forces and the Social Revolution," "The Changing Role of the Armed Forces: An Analysis," and "The Latin American

Military Today." The second portion of the work concerns itself with United States policy, in chapters headed "Evolution of Policy, 1898-1959," "Analysis of U. S. Policy," "Critique of U. S. Policy," and "Policy for the Future." Also included are two Appendices, one a specimen of an agreement for a United States military mission with Nicaragua and the other a specimen of a military assistance agreement with Honduras, and an adequate Bibliography.

Although the two parts of the study are related, and the thesis of the second portion would be a great deal less compelling unless prefaced by the first, they are quite distinct in approach and in over-all effectiveness, with the section concerning United States policy the more successful of the two. The disparity arises because in his first section, dealing with the domestic situation in twenty different countries, the author has to cover a mass of complex material in a relatively restricted number of pages. Almost inevitably, a few minor errors of fact slipped past him, but I shall neither count them nor quote any, so that I can demonstrate my scholarship by adding a snide "*sic*" after them, for the impressive truth is that an amazing amount of complicated material has been presented with a minimum of human mistakes. Instead, I shall merely warn the nonspecialist that Mr. Lieuwen's generalizations, valid as they tend to be in global terms, sometimes oversimplify the complex social, economic, and political factors at work in a specific situation. At the same time, this book suggests just how fruitful further, more specialized analyses of Latin America's military could be.

In dealing with United States policy as regards military affairs in the area, the study grapples with a much more manageable problem, and does so both incisively and well. Mr. Lieuwen's thesis that this country's arms supply and military training programs provide neither additional international force in the struggle against communism nor incentive toward responsible, civilian government in the individual states concerned is well documented. So is his contention that our military and civilian leaders are well aware of this fact.

Taken as a unit, *Arms and Politics in Latin America* is an excellent example of the truism that foreign policy-makers must know a great deal about the domestic conditions of the countries with which they are dealing if they hope to provide meaningful and constructive courses of action for this country. I am pleased to see the Council on Foreign Relations encouraging such studies.

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CARL S. SHOUP and others. *The Fiscal System of Venezuela: A Report*. Pp. xiii, 491. Baltimore: Johns Hopkins Press, 1959. \$8.75.

This book is an outgrowth of a study conducted by a commission composed of economists and tax law experts from the United States and Great Britain. This commission, constituted in 1958 at the request of the government of Venezuela, included Carl S. Shoup, as Director, and John F. Due, Lyle C. Fitch, Sir Donald MacDougall, Oliver S. Oldman, and Stanley S. Surrey. The report is a collaborative effort, with authorship of individual sections undesignated.

The two opening chapters deal with the distribution of income and other general economic considerations relevant to public finance. Nine chapters dealing with specific taxes follow, with heavy emphasis upon income taxes and sales and excise taxes. The five concluding chapters cover such topics as state and municipal finances, governmental accounts and reports, non-tax revenues, and an analysis of the tax system and economic stability as well as an estimate of the costs of education and health. Four Appendices contain additional material on detailed matters. Throughout the report, there is an admixture of factual information, economic analysis, and policy recommendations, both general and very specific indeed.

The report is very competently done. Although it contains a massive array of facts, as well as detailed analyses and recommendations, the net effect is not that of a reference handbook. The book is clear, incisive, and straightforward, and a

continuing analytical framework protects the excursions into detail from discursiveness. Although written with clarity rather than sprightliness, the book should attract the interest of many readers. For those interested specifically in the Venezuelan economy, the report presents a wealth of information and a host of policy recommendations. For those concerned with the methodology of case-studies, this book presents a careful and workmanlike model. Finally, for the perhaps even larger numbers of economists, political scientists, and others interested in growth and development, this report sheds much light. It reveals, factually, an economy largely dependent upon a single commodity, with a highly concentrated income distribution, but with more wealth—largely from oil—than possessed by most underdeveloped economies. Within this context, the estimates in the report regarding capital requirements, sources of savings, and so forth, as well as the tax recommendations, are of keen interest. This book is, in short, a very useful addition to the growing library of case-studies in economic development and national economies.

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ARNOLD WIZNITZER. *Jews in Colonial Brazil*. Pp. x, 227. New York: Columbia University Press, 1960. \$7.00.

Professor Wiznitzer has gathered much detailed information about individual Jewish settlers in colonial Brazil and about cases where they were brought before the Inquisition at Lisbon, and his study throws much new light on some phases of Brazilian colonial history. Many Jews fled to Brazil, and others were deported to the colony as convicted heretics after the King of Portugal attempted to compel all of his Jewish subjects to accept Christianity in 1497. They were active in the establishment of the sugar industry and in trade, and they maintained close relations with another large group of exiles who had taken refuge in Amsterdam. Most of the "New Christians" continued to practice the old religion secretly.

After the Dutch conquest of northern

Brazil, the Jews in that region were able to give up any pretense of being Christians. Their number was augmented by immigrants from Amsterdam, and they played an important role in commerce and finance and obtained most of the contracts for the collection of taxes. Professor Wiznitzer thinks that they comprised about half of the white population of approximately 2900 in 1645. Though the local Dutch Calvinists often attempted to interfere with their religious freedom, the policy of the West India Company, which ruled the colony, was a tolerant one. The Jews often fought more tenaciously against the Portuguese than the Company's own mercenary troops, and nearly all of them fled to Holland when the Dutch were finally defeated. Some later returned to the New World to settle at New Amsterdam or in the West Indies.

Smaller groups of Jews at Rio de Janeiro and São Vicente and São Paulo remained in Brazil. The Jesuits used their influence to protect them from persecution, but, in the century that followed the Dutch wars, many were sent to Lisbon for trial by the Inquisition. In most cases they were given relatively light sentences, but eighteen were executed as heretics between 1644 and 1748. Persecution practically ceased after the Marquis of Pombal stopped all discriminations against New Christians in 1773, and thereafter the Jews were absorbed in the Brazilian Catholic population so that there were few if any who still practiced their religion at the time of independence.

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